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## **Latin America Report**

No. 2262



**FOREIGN BROADCAST INFORMATION SERVICE**

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On behalf of all of us in FBIS I wish to express appreciation to our readers who have guided our efforts throughout the years.

2 March 1981

## LATIN AMERICA REPORT

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## BANKS MAKE ITAIPU LOAN, NEW PLANTS TO BE BUILT

## \$266.5 Million Loan

Rio de Janeiro JORNAL DO BRASIL in Portuguese 14 Jan 81 p 16

[Article by Silvio Boccanera: "Consortium of Banks Lends \$266.5 Million to Itaipu"]

[Text] New York--Gen Costa Cavalcanti, director general of the Itaipu Binational Company, signed for a \$266.5 million loan here yesterday. The loan is for the Brazilian-Paraguayan firm and was granted by an consortium of 31 banks from 16 countries coordinated by the Morgan Guaranty Trust, with Citibank acting as agent.

The amount obtained through this loan--with a risk rate (spread) of two percent above the London rate (Libor) or the preferential rates (prime rate) in the United States--is 60 percent of what the binational company needs to obtain in foreign money this year, according to Costa Cavalcanti during the signing ceremony at the Waldorf Astoria Hotel.

Also according to the Brazilian director of Itaipu, who had the Paraguayan deputy-director, Enzo Debernardi, at his side during the signing ceremony, in addition to the \$450 million from abroad, another \$1 billion will be invested in the binational project this year alone, money which will come from domestic sources, primarily ELETROBRAS [Brazilian Electric Power Companies, Inc].

## Operation

The powerplant will begin to produce power on a limited scale in February 1983, according to an estimate by Cavalcanti, corrected by Debernardi only in that which refers to the month, which the Paraguayan deputy minister preferred not to state specifically.

During the signing of the loan, banker Antonio Gebauer of Morgan Guarantee described Itaipu as "one of the monumental accomplishments of engineering and technology (...) a tremendous example of what can be done through international cooperation."

Saying that the amount initially sought on the international financial market for this operation was \$200 million but that the interest by the bankers resulted in raising the amount of \$266.5 million, Gebauer also described the attitude of the financial institutions participating in the consoritum as an example of cooperation and added that "We are lending and will continue to lend (to Itaipu)."

To a question on the difference to an international banker between lending money for a project such as Itaipu instead of to the Brazilian Government, Gerard Finnerman, senior vice president of Citibank, replied: "I do not believe that the two can be separated because we examined the project itself and what is being done with it in the country."

The financial director of the Itaipu Binational, Moacyr Teixeira, said that the Brazilian Government is backing the project. With respect to the spread, Teixeira said that it is not very high since it reflects the present status of the market and there could even be benefits in the present contract if there is a decline in the U.S. interest rate.

Costa Cavalcanti declared that Itaipu is an attractive and safe project for the bankers.

"It is an energy-producing factory, whose production is already committed for sale for the next 50 years," said the Brazilian director, adding that FURNAS [Brazilian Powerplants] and ELETROSUL [Southern Electric Powerplants], will be the main consumers in Brazil, and they are even committed to buying the power-plant production that Paraguay does not want or cannot use.

Pursuant to the terms of the contract establishing the Itaipu Binational Company, Brazil and Paraguay will divide total power production evenly between them.

Still according to Costa Cavalcanti, the financial costs of Itaipu will begin to decline as of 1982 until the powerplant goes into full operation with 18 generating units in 1982. In this period, it will have reached a total cost of \$10.3 billion, according to January 1980 estimates, it was reported by the Brazilian director. He added that contracts already entered into cover \$6.3 billion of the total costs, the majority of which have been incurred domestically.

#### Low Cost

Costa Cavalcanti declared that the final cost per kilowatt installed in Itaipu will be \$800, which, according to him it will be one of the lowest costs for a hydroelectric powerplant at this time.

"When it is completed, Itaipu will generate an annual average of 75 billion kilowatt hours, which is the equivalent of the annual output of 10 large conventional nuclear powerplants of one million kilowatts each," said the Brazilian director.

According to Costa Cavalcanti, and endorsed by Debernardi, the problem of the price of energy discussed with Paraguay does not now pose a serious difficulty.

"We have always resolved our problems by consensus," said Costa Cavalcanti, making clear his intention of dispelling any thoughts about problems between Paraguayans and Brazilians on the question of Itaipu.

#### New Plants in 1981

Brasilia CORREIO BRAZILIENSE in Portuguese 22 Jan 81 p 6

[Text] Minister of Mines and Energy Cesar Cals yesterday ordered the president of ELETROBRAS, General Costa Cavalcanti, not to begin any new projects in 1981 except the hydroelectric plants of Balbina and Samuel (in the Amazon Region) which have resources from the Energy Mobilization Program. This was one of the decisions adopted during the meeting of the Superior Energy Council [CSE], which set the expenditures for that state company at 158.5 billion cruzeiros this year. Itaipu is not affected since it has its own resources of about 120 billion cruzeiros.

No official of the Ministry of Mines and Energy explained the specific results of the meeting officially, it being learned subsequently through some of the participants that the Angra I Powerplant, for example, will have 12 billion cruzeiros in funds, while Units II and III, will have allocations of 42.7 billion and 9.2 billion cruzeiros respectively.

Although the meeting was held in the morning, it was only late in the afternoon that a "press release" was made. It contained some information on the meeting, which was chaired by Minister Cesar Cals. According to the note, the meeting "continued studies on the spending programs by the companies of the ministry in 1981." The document adds: "In view of a reduction of nearly 60 billion cruzeiros in the expenditures of the sector, it was decided not to begin the construction of any new project, excepting only the hydroelectric powerplants of Samuel and Balbina, which have funds from the Energy Mobilization Program." Sources from the sector revealed that the former will have funds of around 300 million cruzeiros, while Balbina will receive almost 1.2 billion cruzeiros.

ELETROBRAS priority for this year, according to an order of the minister of mines and energy, is the interconnection of the transmission systems "with some reduction in the rate of construction of electric powerplants." The timetable for the work of the Tucuruí Powerplant was maintained, the president of ELETROBRAS being authorized to maintain it since the unit will go into operation without delay at the end of 1983. An appropriation of around 60 billion cruzeiros exists for that purpose. That sum is only for its construction and does not count the transmission line, which will cost almost 120 million cruzeiros.

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## PETROLEUM RESERVES INCREASED 5.8 PERCENT IN 1980

Rio de Janeiro O GLOBO in Portuguese 27 Jan 81 p 20

[Text] Brazilian petroleum reserves reached 1.33 billion barrels in 1980, compared to 1.26 billion barrels in 1979, which means a 5.8-percent increase. If to this figure (proven reserves) is added that of probable reserves (those which may be found in already-known fields), the country will be in a position to produce the present 197,000 barrels [per day] for 20 years, said PETROBRAS [Brazilian Petroleum Corporation] President Shigeaki Ueki yesterday.

Although he has not estimated the size of probable reserves, Ueki asserted that the mere increase in proven reserves is an auspicious indicator. In 1980, 11.7 million cubic meters or 74.2 million barrels were added to the reserves, a fact he considers significant when it is known that national production last year was 68.6 million barrels. In other words, PETROBRAS recovered more than it extracted from the subsoil last year through new discoveries, he declared.

## Discovery

Shigeaki Ueki reported that the increase in reserves is due primarily to the continental shelf (+10.8 percent) where 739 million barrels exist. Of that total, the Campos Basin has 608 million barrels, the equivalent of 82 percent. The increase in the Campos Basin was 8.1 by comparison with 1979.

Petroleum reserves of the land basins reached 599 million barrels, compared to 596 million last year, an increase of .4 percent. That result derives from the increase of the Espirito Santo reserves, which rose 3.8 million to the total of 13.4 million barrels. With respect to gas reserves, Ueki said they exceeded 45 billion cubic meters, increasing 16.6 percent to 52.5 billion cubic meters.

The president of Petrobras said that during 1981 and the coming years the company expects to make new finds, which will mean greater reserves.

## Risk

He expressed the hope that risk contracts, up to now with no new finds, would have positive results. He said the superintendent of the contracts, ALauro Vieira, will soon go to several countries to seek to attract a larger number of interested parties. "It is not true that the best areas are reserved for



PETROBRAS, while basins without any possibilities are given to international companies. That is even an injustice because the contractors would never go drill where there is no hope of finding petroleum," he said.

Ueki said he does not expect very high increases in the price per barrel of petroleum this year, at least up to April. At most there will be readjustments to compensate for world inflation and the devaluation of the dollar. He believes the market is glutted and that spending for petroleum this year should come within government projections of \$9 billion to \$10 billion. Advised by Production Director Jose Marques Neto, the president of PETROBRAS declared that national petroleum production up to December will reach an average of 224,000 barrels per day, with peaks close to 280,000 barrels.

#### Imports

Ueki said the ceiling of 750,000 barrels per day for imports is in keeping with the declines in consumption. Comparing consumption during the first and last 4 months of last year, a daily consumption decline is noted, which went from 1.1 million to 1,060,000 barrels per day. By the end of the first 4 months of 1981, the figures will be more significant, he added.

He refused to speak about the main petroleum suppliers, saying that there are restrictions imposed by Minister of Mines and Energy Cesar Cals. Director Carlos Sant'Anna then explained that even if there were no recommendation from the minister that the main suppliers not be made known, PETROBRAS would not be able to do it. According to the director, at this time PETROBRAS is making several contacts with producing countries and therefore cannot name the main suppliers. However, he said, the 750,000 barrels per day for the 4-month period are guaranteed. Sant'Anna said the 750,000-barrels ceiling in no way prejudices the negotiations.

In some cases PETROBRAS restricted itself to not renewing contracts so that there may be an adjustment of the ceiling set by the government. He added that the revelation of the terms of the contracts being negotiated could prejudice the negotiations, as has happened in the past.

The director of the industrial area, Orfila Lima, announced the entry into operation of the Garoupa system for this weekend. Completely recovered from the accident which halted its operations in September last year, Garoup will once more produce petroleum with only one well, going on progressively to activate the rest (a total of eight) until it reaches its production of 35,000 barrels per day.

#### Production May Reach 280,000 Barrels a Day

National petroleum production should reach 280,000 barrels a day by the end of the year, compared to a production of 197,000 barrels last year, according to forecasts revealed by the Ministry of Mines and Energy.

The Ministry also reported that domestic petroleum production will break the record this week with the entry in operation of the Garoupa production system, which will raise production to 235,000 barrels per day.

Last year, national petroleum production reached a daily average of 1,090,000 barrels, of which 190,000 barrels were produced domestically, compared to an average consumption of 1,101,000 barrels daily in 1979 when domestic production was 171,000 barrels per day. Consumption of imported petroleum last year, according to the Ministry, declined by 3 percent compared to 1979.

Last year, PETROBRAS drilled 450 wells, a total of 850,000 meters, which is an increase of 19 percent compared to 1979 when it drilled 377 wells. With respect to the number of meters drilled, the increase was 21 percent because in 1979 the 377 wells drilled totalled 703,000 meters compared to the 850,000 meters last year.

PETROBRAS signed 31 risk contracts last year, 21 of them being with foreign companies and 10 with the PAULIPETRO Consortium. Up to now 80 risk contracts have been signed, pursuant to which 10 wells were completed last year alone with a total of 48,000 meters drilled.

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## COAL HAULING CAPACITY TO KEEP STEP WITH PRODUCTION

Brasilia CORREIO BRAZILIENSE in Portuguese 22 Jan 81 p 6

[Text] Minister of Transportation Eliseu Rezende declared yesterday that Brazil will be hauling 38.3 million tons of coal by 1985. He showed that the transportation capacity is higher than the demand for it at this time, even with the increase in national coal production and with the increase in the imports of metallurgical coal. Expenditures this year will be 5.2 billion cruzeiros.

However, according to him, the idea is to accomplish a progressive expansion of national ports in step with the demand for the transportation of coal, thus avoiding an excessive capability which would result in idle capacity.

Eliseu Rezende demonstrated that the interstate flow of coal produced in Brazil from the producing zones will reach 13.1 million tons in 1985. Of that total, 10.9 million tons--83.2 percent of the flow--will be hauled by coastal shipping. The remaining 2.2 million tons will be hauled by railway via the Southern Trunkline.

To this flow, said the minister of transportation, will be added the imported metallurgical coal, which should amount to 9.8 million tons, and the shipment of coal through inland shipping, which will probably reach 5.2 million tons in 1985 also.

He then explained the program of progressive expansion of port capacity in terms of a balance between present capacity and the future demands for the movement of coal. The program, according to the minister, should undergo constant revisions depending on the actual supplies of coal.

The ports of the region of Baixo Jacui, in order to handle production of the Leao I, Leao II, Recreio and Leao Norte II Mines, show a change from 1,063,000 tons of coal to be hauled and a capacity for hauling of 1.5 million tons in 1981, to 5.2 million tons of coal to be hauled and a capacity for hauling of 6 million tons in 1985.

The Porto Alegre terminal, which in 1985 will have a capacity of 1.08 million tons to meet a demand for 780,000 tons, this year will be provided with loading conveyor belts, paved streets, replacement of poor-quality land, drainage and a branch railway.

The Pelotas port terminal, which in 1980 operated with a capacity for 180,000 tons, will increase its capacity to 340,000 tons in 1985 to meet a demand of 350,000 tons. Scheduled for this year are the rehabilitation of docks, extension of the railway branch, pavement of the area and protective coverings, with expenditures of 88 million cruzeiros.

The port of Rio Grande will increase its capacity from 600,000 tons in 1981 to six million tons in 1985. The final plans for the completed terminal stipulates a total capacity of 12 million tons per year distributed among four 3-million ton modules. The project will be funded by the Energy Mobilization Program in the amount of 653 million cruzeiros.

The port of Imbituba, which already had its capacity increased in 1980, went from 1.8 million tons to 3.5 million tons. This year alone expenditures there will be around 558 million cruzeiros, of which 320 million are from the Energy Mobilization Program. In 1985, the port of Imbituba will have a capacity for moving nine million tons of coal to meet a demand for moving 6.1 million tons.

The port of Antonina, with a present capacity of 20,000 tons, in 1985 will handle 480,000 tons of coal. Fifty million cruzeiros will be spent in 1981. The port of Santos with a capacity for handling 300,000 tons now, will be able to handle three million tons.

The port of Rio de Janeiro will have its capacity increased to 3.8 million tons and the terminal of Sepetiba, where 3.1 billion cruzeiros will be spent this year, will as of this year handle 5.8 million tons of coal.

Minister Eliseu Rezende said yesterday that the final plan of the Rio Grande port coal terminal is ready. The terminal will have a capacity for handling 12 million tons of coal per year, with four 3-million ton modules. The construction period is forecast as 27 months as of the date the work begins.

The request for bids on the projects, said the minister of transportation, should be made in February of this year. The terminal will have an hourly capacity of loading and unloading of 500 to 600 tons. Six hundred fifty-three million cruzeiros will be spent on the project.

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## BACKGROUND, CAUSES OF FINANCIAL CRISIS REVIEWED

PY120253 Buenos Aires CLARIN in Spanish 8 Feb 81 p 4 Economics Supplement

[Text] The liabilities of commercial bankruptcies have become an indicator which sharply reflects the magnitude and depth of the crisis being experienced by the Argentine economy. During 1980 those liabilities set a record unequalled in the economic history of the country.

The bankruptcies and preventive insolvency proceedings brought before the courts totaled 2.1 trillion pesos (equivalent to \$1,138,000,000), showing an increase of 184.3 percent in comparison with those recorded in 1979 and 74.2-percent increase in real terms (after discounting inflation according to the wholesale price index). But these disturbing figures do not exactly reflect the real breakdown of the economic system, since it can be asserted that the standards for measuring the volume of commercial bankruptcies have been broken. To that figure we should obviously add the overdue payments by the productive sectors owed to the financial organizations, estimated by private banking sources to amount to 20 percent of the total of the loans granted by the financial system, that is, a figure of about \$10 billion. In many cases the financiers do not demand payment of debts through the courts, and the forming of so-called bank clubs has become ever more frequent.

This situation has often led to crises among the financiers. Thus, in 1980, 28 financial institutions were liquidated, but their liabilities have not been published. It can be estimated, however, that their deposits (the main part of their liabilities) totaled 13.4 billion.

This means that the real breakdown of the economic system during last year and what is to be expected now have the nature of an explosion.

Not even in the 1930's did a comparable situation occur. At that time the crisis, which had its origin in the situation reigning in the industrialized countries and its effect on the world market, mostly hit the companies involved in foreign trade and the agrarian producers. There were no bank bankruptcies, although there was a significant contraction of credits, because it was found to be impossible to recover the loans.

The present crisis is the result of the application of the current economic policy, and its origin should be sought in a group of related factors which have led to lower incomes for the main productive sectors.

--High interest rates, which in 1980 were over 30 percent per year in real terms. But at the same time an elevated nominal rate has posed insurmountable problems of liquidity for business, in view of the ever larger sums that must be paid by way of interest and amortization. This leads to an almost permanent renewal of credit and an ever deeper indebtedness.

For companies which have made long-term investments, the problem becomes even more serious, because despite their diminished incomes they must face the payment of interest without having any returns yet from the investments they have made.

--The economic stagnation of the country, with a zero or negative growth of the GDP last year. During the period 1976-1980 there was a yearly cumulative GDP growth rate of only 1.6 percent, and as a result of this the per capita product last year was 3.8 percent lower than in 1974.

The opening of the economy, fundamentally based on an overvaluation of the peso in the exchange rate, imposed a ceiling on the international price growth and also led to the displacement and replacement of national production. Its negative effects can be easily verified by examining the development of the foreign trade sector during last year. The value of imports grew by 53.7 percent and that of exports by only 2 percent, which implied a 40-percent increase and a 10-percent decrease in real terms, respectively. The exchange rate policy has even affected traditional exports. The declines include beef (32.1 percent), grains (26.7 percent), fresh fruit (23.1 percent) and iron and steel products (50 percent).

--The heavy tax burden which the productive sectors have had to endure, which amounted to 8.1 percent more of the GDP in 1980 than in 1975, and the consequent transfer of capital from the private sector to the state. This capital was not used for a larger and more effective production of goods and services but was applied to reducing the issuance of money to finance the deficit.

The factors just mentioned have affected the whole productive apparatus whatever the type, nationality or size of the enterprise. An examination of the list of companies in difficulty shows that among them there are traditional firms which theoretically should have found themselves favored by a pattern supposedly based on the application of "comparative advantages." The bankruptcies include the milk industry (Casanto), big textile companies (Wells, Sudantex), vegetable oil factories (Argentine Oil Company, Ybarra and Sons), etc. To this is added the noisy collapse of the Sasetru group and the more recent application by the Noel Company for a meeting of creditors.

Daily experience shows that the crisis is not yet over. In January this year there was an unusually large number of bankruptcies and applications for meetings of creditors, despite being a month of court recess. And on the first 2 working days of February four bankruptcies were declared, and there were the applications by the Noel Company and two companies of the Casale group in Mendoza for preventive meetings of creditors, facts which show the deep crisis threatening the Cuyo region.

This process of mass bankruptcies threatens to continue as an explosion, unless there is a drastic change of the economic policy and an alternative is chosen which sets all the productive potential of the country's economy in motion.

## BRIEFS

**GRAIN EXPORT FIGURES**--Argentine grain exports during 1980 were just above 12.5 million tons, which is 5 million tons below the level for 1979. This is a 27.7-percent drop compared to the previous year, according to figures released yesterday by the National Grain Board. Total exports were 12,602,700 tons, of which the Soviet Union was the recipient of 60 percent. [PY160029 Buenos Aires HERALD in English 14 Feb 81 p 9]

**FLOOD LOSSES**--(NA)--Floods as a result of unprecedented rainfalls in several Argentine provinces, are devastating farmlands, destroying houses, disrupting communications and forcing the evacuation of hundreds of people from their homes. The worst damage is reported from Cordoba, Chaco, Mendoza, Santa Fe, Tucuman and Salta. In Cordoba 250,000 hectares of land are under water along the course of the Dulce River and 250 people have been obliged to leave their homes. The overflowing of the Dulce River also caused an estimated \$2 million in damages in Santiago Del Estero. In Mendoza City more than 1,200 telephones are out of order and several houses collapsed in a 13 February wind storm. The Parana River continues to rise and 2,000 people have been evacuated from low-lying areas in Santa Fe Province. In Chaco Province, 60 percent of the province's farming lands are under water and the government has declared a state of emergency. Most of the sunflower seed, cotton, sorghum and wheat crops are a total loss. There are 1,200 evacuees. [PY171630 Buenos Aires HERALD in English 15 Feb 81 p 9]

CSO: 3020



## BRAZILIAN PAPER CITES CONTINUED REPRESSION

PY172156 Rio de Janeiro JORNAL DO BRASIL in Portuguese 15 Feb 81 p 12

[Article by Jorcene Martinez]

[Text] Guayaramerin, Bolivia--On 15 January, nine persons were executed by firing squad in the Miraflores garrison, located in La Paz. The number of deaths in this country's prisons so far this year now totals 22. There are also 500 political prisoners, and 120 persons have disappeared. The news of these charges reached this city--on the border with Rondonia territory, 365 kilometers from Puerto Velho, Brazil--only this week through several people who were fleeing the country.

The same charges were confirmed in an official communique released by the Government of National Unity (GUN) and the Democratic and Popular Unity, which are headed by former President Hernan Siles Zuazo and Jaime Paz Zamora.

Coincidence or not, the visit that Gen Luis Garcia Meza was to have made on Monday to this city was canceled yesterday without any serious explanation. This would have been the first official visit by the leader of the military coup that took power on 17 July 1980 to this city, "a maneuver that intended to demonstrate that his regime can count on international support," according to the exiles.

Officially, he was to have discussed border trade with the governor of Rondonia, Col Jorge Teixeira de Oliveira, and he was to have dedicated a modest television station.

According to the exiles that passed through Guayaramerin, another motive for his visit was apparently to check whether there are resistance groups operating in eastern Bolivia. Due to its being located close to Brazil, Guayaramerin, a city located in Beni Department (state), is one of the corridors through which 1,000 of the 10,000 Bolivian refugees have passed.

Since the coup that ousted President Lidia Gueiler, Guayaramerin has not been the same. The curfew, which begins at 2100, is feared even by the Brazilians that cross the Mamore River, the natural border between the two countries, to see the pornographic films shown in one of the three cinemas in this city, which has just over 5,000 inhabitants. Squads patrol the streets with orders to kill. During daytime the previously garrulous drivers of motorscooters, which are fitted out to carry passengers and which take the place of taxis here, avoid talking with visitors because they fear the implacable apparatus of censorship which turns even youngsters (black and boy porters) into stoop pigeons.

Whether Bolivian or not, walking the streets in a group can bring a full inspection of pedestrians and demand to show identity documents. As in the technical sector, the military is so undermanned (according to an official version) that the government has implemented an obligatory civilian-military service. At present anybody can be obliged, under pain of imprisonment, to serve in the army or in any sector of the government so dictated.

Censorship at the national level is even more rigorous. So much so that after 6 months news out of Bolivia has practically ceased, which is attributed to the repudiation of the July coup by the international press.

Meanwhile, communiques such as those signed by Siles Zuazo and Paz Zamora are able to penetrate the closely knit curtain of terror covering Bolivia and thus give details of how the new regime deals with its dissidents and the country's economy. Those who are detained and taken to the garrisons of repression are summarily eliminated. The universities are closed. There is a lack of foodstuffs. There is concern over the fate of 300 political prisoners. There are 120 persons that have "officially" been given as missing.

Among those who are able to escape, many with just the clothes they are traveling in, there are people who reach foreign territory carrying communiques such as the one that was released this week in Guayaramerin.

The massacre of nine members of the Movement of the Revolutionary Left (MIR), who were detained on 15 January in a house in La Paz suburb, is described by the communique "as a spectacle of cowardly and absurd savagery."

"After being interrogated and tortured in the Interior Ministry, the comrades were taken to the Miraflores garrison. There the torture was even more savage and they were turned into masses of living meat. They were then summarily shot. Gen Hugo Suarez Gusman, the father of one of the comrades, on seeing the state his son was in, asserted that 'they have transformed him into a small piece of meat.'"

A nun that was passing by the house at the time of the detention tried to help by speaking to the military commander who was standing on the pavement in front of the house. She received punches in the face and ended up by being flung into the middle of the street. The military personnel then came out of the house with the handcuffed prisoners and would allow no one to approach, asserted one of the members of the MIR leadership when passing through Guayaramerin.

He indicated that the attack against the nun was not an isolated case. In Bolivia even the church is not safe from military repression. In Sucre the church of the Recoleta was recently invaded by army troops during a mass and the faithful were dispersed with gun butts.

The communique also denounces the fact that in Oruro, where Bolivia's largest tin mines are located, the workers are obliged to walk in Indian file from the mines so that they can be shaken down by military troops. Army troops and rightist paramilitary groups dominate the Oruro mining center, where even children are interrogated in order to inform on their fathers who are being sought by the government.

Nobody can enter any of the 10 Bolivian universities (2 of them are private), which are occupied by military troops, because there are orders to "avoid thefts."

## EFFORTS PLANNED FOR PROJECTING NEW IMAGE TO WORLD

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Jan 81 p 6

[Article by Carlos Conde: "Brazil Seeks To Project New Image in the World"]

[Text] Itamaraty is ready to make a great effort in the year that is beginning to project an image abroad of a Brazil, which although it will encounter well-known difficulties, could overcome them with domestic and international support. The intention of the Ministry of Foreign Affairs, which will act in coordination with the overall line of the Figueiredo Government, will be to demonstrate to the world that Brazil has immense potentialities, a reasonable room for maneuvering abroad, good allies and a role of natural importance in the group of nations of which it now considers itself a part, the Third World.

Brazilian diplomacy wishes to project an image of Brazilian credibility abroad. It intends to do so in its exclusive area of action, the political, opening doors so that the official agencies of the economic area and private businessmen may enter. For this, one needs to be truly optimistic. Minister Saraiva Guerreiro said at the year-end lunch he gave at the Clube das Nacoes to the newsmen accredited to Itamaraty, seeking to awaken the faith of the unbelievers, "discouragement will only lead to inaction."

The minister of foreign relations is convinced that Brazil has an international area of action which provides it with an appreciable margin for maneuvering. In its foreign policy, the country today describes itself as being of the West and the Third World, seeking through that diplomatic merger to circulate among traditional trading partners such as the United States, West Europe and Japan, as well to engage firmly in the competition for prestige and markets in Latin America, Africa, Asia and the Middle East.

The Brazilian Government intends to coordinate those two policies so that one will exert an influence on the other. It has the hope that a homogenous and firm action in the Third World will give it the support base for demanding a new international economic order from the industrialized nations. In that aspect, support for the Arab world, for example, only tends to be intensified. While frequent increases in the price of petroleum are a well-known burden, the Figueiredo Government seeks to encourage itself with one question, which O ESTADO has already heard in more than one important government office in Brasilia: "Do you believe that we would be better off in the hands of the 'seven petroleum sisters' than we are in the hands of the Arabs?"



Brazilian Arab policy is considered in the government to be the result of a state of need (insure petroleum supplies), to which Brazil has adapted and from which it will seek to obtain whatever benefits are possible. There exists the awareness that the Arab markets are captives of traditional trading partners, but that this situation could be changed in the medium term with the expected readjustments in international policy. The Figueiredo Government, like that of Geisel, will continue to bet on the Arabs, regardless of the fact that up to now the results have not been extremely encouraging. In a briefing in which the source could not be named, a reporter asked a high official: "Do you agree that up to now what Brazil obtained from the Arabs has been a supply of petroleum at market prices?" The answer was answered with another question, which well-defines the official impression on the matter: "Do you believe that is not enough?"

### The Game

In that game in the Third World, in which it views the Arabs as allies, Brazil will seek to tighten its bonds with Latin America and Africa and in a second phase, will more determinedly move in the direction of far-off Asia.

Consolidation of Latin American policy will be designed this year with the establishment of the important agreements signed with Argentina, now a great ally; with the rapprochement with the bloc of countries of Amazonic America (through the pertinent pact, an initiative of Brazil); with bonds with Mexico which improve every day and with an ever-increasing bilateral dialog with all the Latin American countries. Presidential visits are going to characterize those improvements; the visits by President Figueiredo to Colombia and Peru and the visits by the presidents of Ecuador and Venezuela are already being scheduled.

The partnership with Mexico is considered vital by the Figueiredo Government for a number of reasons, which the large amounts of Mexican petroleum and gas only reinforce. Mexico is viewed as a very important bilateral, regional and world partner. On the bilateral plane, it is important because it is a country which like Brazil represents a region of the American subcontinent because of its geographic, demographic and economic influence. Prospects for trade are many and it is only necessary to discover them and exploit them. Regionally, Mexico will also have an important role to play in the Central American conflict, an area traditionally under its influence. In that respect, Mexico could serve as a moderating element of the probable change (toward a harder line) in U.S. positions resulting from the assumption of the presidency by Ronald Reagan. Brazil does not want Mexico to be seduced by the United States idea of forming a sort of EEC in North America, including Canada, and it hopes that, resisting that proposal, Mexico will maintain a relative independence with respect to the United States, thus preserving its margin for maneuvering, not only in its own name but in the name of the countries which make up the Third World Bloc.

The quick and positive response Mexico made to Brazil when the Persian Gulf War left Iraq unable to maintain its supplies of oil to PETROBRAS [Brazilian Petroleum Corporation], is viewed as an important political step by the government of Lopez Portillo, which the government of Figueiredo took very much to heart.

## Africa

Another important link in the Third World, Africa, is viewed with hope by Brazil in 1981. Itamaraty believes that the visit made during the first half of last year by Minister Saraiva Guerreiro to five countries of southern Africa, did away with old distrusts resulting from Brazil's support to Portuguese colonialism and it opened very favorable political, economic and cultural prospects.

Initially, the visit by Minister Guerreiro to Nigeria is scheduled on the 1981 agenda. This trip was not made in November of last year only because at the last moment Lagos discovered that the arrival of the Brazilian minister of foreign affairs would coincide with that of the president of Sao Tome and Principe. The visit by Guerreiro should be rescheduled and will be another step leading to the probable trip by President Joao Figueiredo to western Africa, perhaps still this year.

While the political activity by Brazil in Africa has been correct in terms of cooperation, it suffers from a lack of greater resources. There are those who advocate, even in the government, the need to in some way create additional resources for a policy considered a priority by Itamaraty. "History is not going to wait for our economic-financial situation to stabilize and grow stronger. Africa will continue to move with history and with the countries which now, not in some uncertain future, are prepared to engage in a real partnership."

The Brazilian African policy also seeks to establish itself, despite difficulties, as a Brazilian policy which now has its own unobstructed channels and does not require third-party intermediaries.

Another Third World link, Asia, is still viewed without any great initiatives by Brazil because of a lack of resources for a policy of cooperation. Prospects will still be restricted, and only very scantily, to the area of exports. Minister Saraiva Guerreiro spoke in Salvador a few days ago with some enthusiasm about possibilities with respect to Singapore, Indonesia and the Philippines. A Brazilian mission of economic-commercial type should visit that area soon to check on its potentials for providing for Brazilian needs.

## The Rich World

In the attempt to effect a suitable marriage between its Third World inclination and its old western tendencies, this year Brazilian diplomacy will concern itself with strengthening its ties with the United States, West Europe and Japan, the latter a part of the so-called West despite the geographic contradiction.

Of course there appears the new factor of the presence of Republican Ronald Reagan in the White House. Cautiously, Itamaraty has been very restrained in its statements or comments on the new U.S. Government. Although some of the main Reagan options are already known, Itamaraty prefers to wait to see how things shape up in practice. On the bilateral plane, there exists the clear expectation

that relations will become less difficult because there will not be on the Brazilian side the resentment felt during the entire period--particularly in the military area--against Jimmy Carter. The Figueiredo Government does not appear ready, however, to go to the extreme opposite of a relationship which in some way recalls the era of "automatic alinement." It is for that reason that the exultant statements made by Gen Vernon Walters, when he was in Brazil recently, were received with a certain reservation, particularly by the more mature and pragmatic sectors of the government. An alliance with the United States is considered important but Brazil wants to keep its hands free for the most diversified diplomatic actions possible.

Relationships between the military sectors of the two countries should be improved, if for no other reason than the prospect that security will be the **keynote** of the Reagan-Haig diplomacy.

Brazil will also be watchful of the reaccommodation of forces resulting from a new type of dialog that should emerge with Reagan between the United States and the Soviet Union, with foreseeable consequences in Europe. The European Economic Community will continue to be the main trading partner of Brazil, which intends to continue examining the potentials of that continent in matters of the export of technology. Japan appears as the third segment of that trilateral view of the West, including in terms of security.

In the Socialist World, Brazilian activity will continue to be subject to ideological restrictions because the military is distrustful of a broader relationship which would create some type of dependency.

#### Peace

In short, Brazilian diplomacy this year is thinking of acting in a panorama in which peace will be maintained, even if shakily, and in which mechanisms will be placed in action for the recovery of the world economy. Without those two presuppositions, Itamaraty would consider the mission technically entrusted to it of creating openings for Brazilian interests around the world very difficult.

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CSO: 3001

## GOOD HARVESTS FORECAST FOR SOUTH-CENTRAL REGION IN 1981

## Bean, Corn Outlook Promising

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Jan 81 p 23

[Text] Brasilia--Chairman Francisco Villela of the Production Financing Commission (CFP) asserted yesterday that continued excellent climatic conditions in producing regions is confirming production forecasts for major crops grown in the South-Central region. Rainy-season beans, for example, are already in the final stage of harvesting, so that supply can be estimated at between 1,312,000 and 1,359,000 tons, representing an average increase of 33 percent in comparison to the 1980 crop.

Corn harvesting will intensify during the latter half of February. Estimates released by the CFP yesterday indicate that production in the Central-South region will be between 21,403,000 and 22,225,000 tons, compared to 19,285,000 tons last year, for an increase of 13 percent. Forecasts for other crops, such as rice, cotton and soybeans, are less optimistic, as the increase in output of all products is not likely to be over 3 percent. Even so the CFP chairman does not expect problems of domestic supply.

In the case of rice, for example, production should be between 7,811,000 and 8,205,000 tons, compared to 7,807,000 tons in the previous crop. But there is no expectation of abnormally large price increases this year, as long as weather conditions do not change, remarked Francisco Villela. Soybean production should be between 15,136,000 and 15,500,000 tons, compared to 14,888,000 tons last year, which is considered sufficient to supply domestic demand for soybean oil and meal and still provide surpluses which could be exported for \$3.2 billion.

The cotton crop in the South-Central region will be between 456,000 and 472,000 tons, compared to 450,000 tons the previous year. Depending upon the outcome of the crop in the Northeast, which has not yet been planted, Brazil may not have to resort to the international market. The government hence set a minimum price for that region 190.4 percent higher than that granted the previous crop to encourage cotton-growing.

The big unknown is still beans, as satisfactory supply this year depends upon the output of the dry-season crop, which will be planted during February. Production of this crop must be at least 1.2 million tons to provide aggregate supply of 2.5 million tons.



### Caution, Concern Urged

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Jan 81 p 32

[Editorial: "A Modest Crop"]

[Text] The crop forecast made in December and reported now by the Production Financing Commission should be viewed with much caution and some concern. Caution because its figures often conflict with those of the IBGE [Brazilian Institute of Geography and Statistics], mainly in regard to the area planted.

The agency's next forecast will be concluded in February and should have more exact data, as we shall be starting to harvest major grain crops; and concern because, although some products indicate greater output, such as corn (up 13 percent) and beans (up 33 percent), some aspects of this estimate should be stressed.

First, the corn harvest in the South-Central region will begin in February and the next 2 months are very decisive for crop performance. Meanwhile, there is a very large discrepancy between the forecasts of the IBGE (1 percent increase) and the CFP (13 percent increase) in regard to estimated output. Such differences and uncertainties explain, for example, the high price of corn which today for the first time contradicts all norms by being even higher than that of soybeans (950 cruzeiros compared to 900 cruzeiros per 60-kilogram sack).

As for beans, we are given a forecast of greater output, but in relation to a poor harvest the previous year, when we had to import. The bean harvest has already begun and, if production of 21 million tons is confirmed, we would be returning to the level of 1977-78. Hence, for this crop, also subject to the heavy rains that have been falling in the South, there are many uncertain factors that explain its high price in today's market. In regard to rice, the planted area is practically unchanged--4.8 million to 5 million hectares--and the expected production is 7,811,000 million tons compared to 7,801,000 tons obtained in the previous harvest, or about 3 percent [as published] more. Inasmuch as we will still have at least 2 months (beginning in February) to begin harvesting, it can be concluded that the lower estimate is more in harmony with climatic conditions through next May. Meanwhile, we may have to make use of the reserve stocks resulting from imports made last year.

Of all the forecasts, the only crop that is at all reassuring is soybeans, which, unlike the other crops, showed an increase in yield and could show a harvest of 15.5 million tons. But subsistence crops such as rice, beans and corn, even if current forecasts are substantiated, will merely be able to meet current demand. As a whole, we will be producing at practically the same level as last year, when it was not possible to build substantial buffer stocks, an indispensable factor for market stability. And the possibility can not yet be dismissed of our again having to import rice, beans and even corn, although in smaller quantities.

In any event, except for beans, it is still too early for a more reliable projection. We must wait at least 1 month. But, whatever the result, the truth is that we are facing a tight fit between production and domestic demand for the major subsistence crops.

## Sao Paulo Planting Increased

Sao Paulo FOLHA DE SAO PAULO in Portuguese 24 Jan 81 p 20

[Text] The first forecasts for the 1980-81 crop year in Sao Paulo were released yesterday by the Agriculture Secretariat, based upon a survey made at the end of 1979 for the state's seven major crops--cotton, peanuts, rice, potatoes, beans, corn and soybeans. The area planted to these crops increased 8.9 percent compared to the previous year. If climatic and other factors remain favorable during the beginning of this year, this will provide "a good response by Sao Paulo to the appeals for producing more," according to Agriculture Secretary Guilherme Afif Domingos.

The actual increase in planted area was slightly greater than that indicated by the "planting intentions" forecast (made 2 months previously), which estimated this expansion at 8.7 percent. These data do not include areas devoted to sugarcane, oranges and coffee, which are not planted annually.

Between the first and second surveys, the big surprise was expansion of the soybean area: at first a 17 percent reduction in planted area was forecast and finally it showed an increase of 4.6 percent.

The response most satisfying to the secretariat's plans was "the Brazilian record for regaining ground in planting corn, which increased 20 percent and returned to 1.2 million hectares planted throughout the state, equal to the sugarcane area," the secretary said. As is known, since the middle of last year the secretariat has been conducting a specific campaign for corn expansion: "Planting corn is good business"; and now, thanks mainly to the incentive represented by its market price, a harvest of about 1.3 million tons is expected (the national forecast is about 24 million tons).

Offsetting this, the increase expected for the area planted to beans (36 percent according to the September 1980 survey) did not materialize and expansion for the rainy-season crop was 15.2 percent. Output, in turn, should increase only 5.4 percent due to lower yields caused by climatic problems and by "planting in less favored areas."

Afif took the occasion to criticize official plans that call for planting beans without the needed technical assistance (as in the case of the IBC [Brazilian Coffee Institute], for example) and announced launching next week of the second stage of his PROFELJAO [Bean Program], in which agricultural zoning and distribution of improved seeds will have an important role.

He said the Sorocaba region, which produces 70 percent of the Sao Paulo crop, occupying 175,000 hectares, should have a high yield this year because most of it (80 percent) was harvested before the recent rains. In other regions, where the planted area is less significant, there was a drop of 50 percent but overall the loss should be no more than 5 percent (about 150,000 sacks within a forecast of 2,350,000). The reduction in forecast planted area, as explained by the director of the Agricultural Economics Institute, Natanael Miranda dos Anjos, is due to the difference between the quotation for beans at its peak (7,000 cruzeiros per sack) and its actual price (about 4,000 to 5,000 cruzeiros).

There was no expansion in the area planted to cotton in Sao Paulo, which fell 1.9 percent although the sale of seeds had increased 10 percent due to the need for replanting in some regions. The secretariat is not optimistic about the cotton crop, adding that domestic supply may be inadequate.

The orange crop set a record and a harvest of 166 million crates is expected for the 1979-80 [as published] crop year; in 1981 the planting rate continues to decline, as it has for 3 years due to eradication of less productive trees. A great number of young orange trees are reaching the adult stage and average output will not be reduced. There are prospects of good financial results if the U.S. crop loss due to the frost in Florida 10 days ago is confirmed.

Also the area planted to potatoes was reduced 7.5 percent and production is expected to be 3.4 million 60-kilogram sacks. The planting made in January through March (harvested in April through July) is not promising, due to restricted imports of seed potatoes last year.

Rice, in turn, increased its planted area by 6 percent over the previous year, remaining below that indicated in the first survey, which forecast an expansion of 10 percent. It is still early to predict the 1981 harvest, but a repetition of the high yield (1,403 kilograms per hectare) obtained last year is hoped for.

#### Crop for 1982

The climate for the 1982 crop year is still uncertain because the farmer is undecided about the effects of high interest rates and sees no assurance of other tools of economic policy. To maintain agricultural productivity, "the government must establish a price policy that provides long-term prospects for strategic products--even if only three: rice, beans and corn," said Afif Domingos.

He challenged the assertion that Sao Paulo is being transformed "into an immense sugarcane plantation," saying that the area planted to corn (1.2 million hectares) is nearly the same as that of sugarcane (1.29 million hectares). Nor has sugarcane excessively taken away areas from food crops: according to the IEA [Agricultural Economics Institute], substitution was made in pastureland areas, which is confirmed by the fact that the greatest expansion between 1978-79 and 1979-80 occurred in the Aracatuba and Presidente Prudente regions (eminently cattle-raising regions).

The IEA reported the final survey of the 1979-80 crop year, showing a 17.8 percent reduction in the coffee crop (418,200 processed tons), permitting sugarcane production to take over first place (71,050,000 tons, with a 12 percent increase).

#### Yields Falling in Rio

Rio de Janeiro O GLOBO in Portuguese 25 Jan 81 p 29

[Text] Production of black beans in Rio de Janeiro State should increase 27.8 percent this year, from 13,400 tons to 17,100 tons. Other products--corn, sugarcane, potatoes and bananas, among others--may, however, have reduced output.

Manioc production will increase about 20.2 percent, from 175,200 tons to 210,500 tons, although this merely represents a recovery in output, which fell about 49.1 percent between 1975 and 1980. In 1975 the state produced 344,300 tons.

Rice production will also be higher (0.9 percent), increasing from 84,100 tons to 84,800 tons.

The crop estimates are from the State Commission for Agricultural Planning (CEPA), an agency connected with the State Planning Secretariat.

### Obstacles

Studies made by CEPA about major obstacles to agriculture development in Rio de Janeiro State indicate three factors most responsible for the region's backwardness: 1) rapid urbanization in the best agricultural areas, notably the Lowlands; 2) rugged terrain, which requires large infrastructure investments; and 3) manpower shortage due to rapid urbanization.

The most serious problem, however, according to the experts, is the shortage of rural manpower. The latest census reveals, for example, that Itaboraí and Itaguaí were the state's inland regions that had the greatest population growth but, offsetting this, there was a substantial reduction of the area devoted to agriculture in these regions.

The most usual conclusion is that, although the incentives for some crops--mainly corn, rice and beans--are now adequate, there are structural obstacles hampering the performance of agriculture in the state.

Between September and December of last year the BANERJ [Rio de Janeiro State Bank] financed, in the form of operating loans, about 6,000 hectares of beans, 24,000 hectares of corn and 17,000 hectares of rice. These crops are being harvested this year.

Black beans have been responding the best to government incentives. Their planted area in the state increased from 15,700 hectares in 1979 to 20,800 hectares in 1980 and should be 23,400 in 1981.

But corn, which in 1975 had a planted area of 60,500 hectares, fell to 46,100 hectares in 1979 and 41,800 hectares in 1980, with a likelihood of falling even further this year to 39,000 hectares.

The problem is similar in the case of rice. Its planted area is being reduced year by year. In 1975 the planted area was 41,400 hectares, in 1979 it was 31,900 hectares and in 1980 it was 30,300 hectares. It is expected to drop to 29,500 hectares this year.

Nevertheless, in some items the state's agricultural production is outstanding in comparison with other states. Rio de Janeiro is, for example, the nation's second largest producer of oranges, surpassed only by São Paulo. The state of Rio also occupies second place in terms of truck-farm production. It is the fourth largest producer of sugarcane and fifth in bananas and tomatoes.

### Low Yield

Besides being small--there are about 650,000 hectares in the whole state--the state's farming has a low yield (output per hectare). In the case of black beans,



for example, the average yield was about 593 kilograms per hectare in 1975, 738 kilograms in 1979 and 644 kilograms in 1980. Their yield this year is expected to be 730 kilograms per hectare.

A relevant fact is that cattle raising and dairy farming take up twice as much room as do crops, with about 1.3 million hectares. Livestock raising, moreover, absorbs more than half of agricultural credit in the state.

The yield from corn is also low. It was 1,058 kilograms per hectare in 1975, 899 kilograms in 1978 and 1,188 kilograms in 1979. In 1980 it fell to 1,092 kilograms and is expected to be 1,140 kilograms this year.

The manioc crop also has slight variation in yield. It was 13,500 kilograms per hectare in 1975 and 14,022 kilograms last year. According to the CEPA estimate, manioc yield this year should be 13,978 kilograms per hectare.

In the case of rice, yield increased during the period, rising from 1,866 kilograms per hectare in 1975 to 2,775 kilograms in 1980. An even better yield of about 2,875 kilograms per hectare is expected this year.

Other products such as pineapples, garlic, bananas, potatoes and sugarcane also show increased yields.

Onions show a sharp drop in yield. It was 7,593 kilograms per hectare in 1975 but only 1,842 kilograms in 1980. Productivity of tomatoes and oranges also dropped.

		Produção (1)						
		1975	1976	1977	1978	1979	1980	Est.
		(2) (Toneladas) (Toneladas) (Toneladas) (Toneladas) (Toneladas) (Toneladas) (Toneladas)						
Produto (3)								
Alho (4)	(5)	8.077	8.077	8.000	8.300	8.400	8.400	8.400
Alho (6)	(7)	111	111	120	120	120	120	120
Banana (8)	(9)	77.195	88.400	88.000	88.000	88.000	88.000	88.000
Banana (10)	(11)	46.075	46.075	46.000	46.000	46.000	46.000	46.000
Café (12)	(13)	8.700	8.700	8.600	8.600	8.600	8.600	8.600
Café (14)	(15)	8.700	8.700	8.600	8.600	8.600	8.600	8.600
Cana-de-açúcar (16)	(17)	1.920.000	1.920.000	1.920.000	1.920.000	1.920.000	1.920.000	1.920.000
Cana-de-açúcar (18)	(19)	1.920.000	1.920.000	1.920.000	1.920.000	1.920.000	1.920.000	1.920.000
Feijão (20)	(21)	8.475	7.200	7.200	7.200	7.200	7.200	7.200
Feijão (22)	(23)	8.475	7.200	7.200	7.200	7.200	7.200	7.200
Limão (24)	(25)	1.075.000	1.075.000	1.075.000	1.075.000	1.075.000	1.075.000	1.075.000
Limão (26)	(27)	1.075.000	1.075.000	1.075.000	1.075.000	1.075.000	1.075.000	1.075.000
Mamão (28)	(29)	12.777	48.000	48.000	48.000	48.000	48.000	48.000
Mamão (30)	(31)	12.777	48.000	48.000	48.000	48.000	48.000	48.000
Tomate (32)	(33)	74.300	74.300	118.120	108.760	77.400	77.400	77.400
Tomate (34)	(35)	74.300	74.300	118.120	108.760	77.400	77.400	77.400

Key:

- |               |               |                              |
|---------------|---------------|------------------------------|
| 1. Production | 8. Potatoes   | 15. Corn                     |
| 2. Tons       | 9. Coffee     | 16. Tomatoes                 |
| 3. Products   | 10. Sugarcane | 17. Estimate                 |
| 4. Pineapple  | 11. Onions    | 18. Thousand pieces of fruit |
| 5. Garlic     | 12. Beans     | 19. Source: IBGE/CEPA--      |
| 6. Rice       | 13. Oranges   | State of Rio de Janeiro      |
| 7. Bananas    | 14. Manioc    |                              |

## EFFORTS BEING MADE TO BEGIN FIRST ANTARCTIC EXPEDITION

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Jan 81 p 2

[Text] Created with the idea of stimulating Brazilian interests in the Antarctic Region, the Brazilian Institute for Antarctic Studies--IBEA--awaits its conversion into a public service agency so that it may then promote the first national expedition to the South Pole. A historian and specialist on the subject, Pericles Azambuja, reported in Santa Vitoria do Palma, 14 kilometers from Chui, that unless official funds from the Federal Government are received, the expedition to Antarctica cannot be made. "Minister of Justice Abi-Ackel," he said, "pressured by the Argentine Government, which does not want the wealth of Antarctica explored by other countries, has for many months refused to convert IBEA into a public service agency, but I believe that within a short time the minister will conclude by signing our petition because it is a matter of extreme importance for Brazil in all respects."

According to Pericles Azambuja, the president of IBEA, Professor Joao Aristides Witgen, who lives in Rio, will go to Rio Grande do Sul next week to create a new IBEA center in Rio Grande. That center will serve as an operations base in the future due to its strategic geographic location. While Joao Aristides Witgen is in Rio Grande, plans for the first trip to Antarctica will be drawn, a trip which could still take place this year, with the subsequent installation of a meteorological station in the region. In the opinion of Pericles Azambuja, that is of vital importance for the agriculture of the country.

The IBEA has already acquired a vessel to take the expedition to Antarctica and it is being refurbished in a shipyard in Boston, receiving equipment for sailing in frozen regions. According to Pericles Azambuja, an agreement was signed in Washington in 1959, the "Treaty of Antarctica," which is in effect for 30 years, converting the region into a "res communis" (common possession) by 13 nations: the United States, England, France, Norway, Belgium, South Africa, Soviet Union, Australia, New Zealand, Poland, Chile and Argentina [as published].

"In the treaty, the nations signed a pledge of peaceful and scientific exploration, excluding nuclear and military tests, and also prohibiting the signing countries from making any territorial claims."

According to Pericles Azambuja, in 1975 Brazil gave its adherence to the treaty in an Itamaraty note to the U.S. Government, which is the depository of the Antarctic Treaty. This fact, however, does not give Brazil the right to be part of the legal bylaw consultative meetings held frequently in the signatory countries. That treaty will lose its validity in 1990 and only those countries which have materially qualified by making expeditions and installing prospecting and study bases will have the right to Antarctica. "That is the reason for the present haste of the IBEA," explained Pericles Azambuja.

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## ULYSSES GUIMARAES CALLS GOVERNMENT LEADERS 'INCOMPETENT'

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Jan 81 p 5

[Text] Deputy Ulysses Guimaraes, national president of the PMDB [Brazilian Democratic Party Movement], declared in an exclusive interview with ESTADO that the existing regime in Brazil "is inept and the men who run it, incompetent." He believes that "The great illness of Brazil is political because a country which has no policy has only sufferings. As long as that is not cured, that cause will remain like a carcinoma to rot the economic and social tissue of this poor nation. The cure has only one name: 'Democracy.' "

Ulysses Guimaraes advocated the candidacy of someone from the opposition in the presidential elections, the merger of the parties of opposition in the 1982 state elections, and he says "he cannot recall" having met with Gen Golbery do Couto e Silva, chief of the Government Civilian Household, together with Deputy Thales Ramalho to discuss the political opening in 1975.

"I do not remember. I do not know whether or not I had that meeting. I am always accustomed to remembering to forget confidential conversations," declared the PMDB president, who also criticized Brazilian political and administrative centralization and compared the present situation to that existing before 1822. "The only difference is that the courts which today enslave Brazil are not in Lisbon. The court is in Brasilia and our government is imperial, inaccessible in its ivory tower and opulent castles."

The path signalled by Ulysses Guimaraes for the nation to "regain its bearings" is the immediate convocation of a national constituent assembly. "There is talk that opening, liberalization and democracy is something difficult and time-consuming. It is not. All that is necessary is to give the people the chance and the freedom to vote and choose and adopt the measures to make it respected."

## Defending Authority

"There is one thing in Brazil that no one, not one of its 120 million inhabitants contradicts: The country is not doing well. But if it is not doing well, it is worth asking: Who is at fault? Who is responsible? And primarily, how is the situation going to be corrected? The men of government continuously accuse the oppositions of making only destructive criticisms. Criticism of the government means a prison sentence, it means a warning or even being labeled a subversive or a bird of ill omen. I believe that solutions exist, and first and most important is the establishment of a true democracy in Brazil," said Ulysses Guimaraes.

He pointed out as "an unquestionable fact" that "there should be authority in Brazil and that only those who favor anarchy do not admit that. However, while that is an unquestionable political fact, it is also an irrefutable fact that it is necessary to democratize authority."

The first step of that "democratization of authority," in the opinion of the PMDB president, should be the principle that "only the voting polls give and remove the exercise of power. Direct elections must be insured and the citizen should have the chance to choose among the men and parties to be placed in office. For 17 years society in Brazil has had to swallow the same party and men with the same ideas, and we can all see the troubles those practices brought, and still bring us."

The second phase of that democratization of power could be "placing that power-- in other words, the government--closer to the people, subject to and accessible to pressures, criticisms and scrutiny. The people could even dismiss that power. However, Brasilia is the symbol of Brazilian neocolonialism. It is not the capital of a republic, it is the court of a kingdom complete with its palaces, beginning with the presidential palaces, its luxury, its magnificence, its barons and duchesses of the fiefdoms.

"Any of the 120 million Brazilians," said Ulysses Guimaraes, "is between 20,000 and 50,000 cruzeiros distance from Brasilia, on which his own survival depends because everything is decided there. Federation is the most deceitful word contained in that anthology of myths and untruths called the 'Federal Constitution.'"

Ulysses Guimaraes gave some examples of centralization of power in Brazil: "According to the 1946 Constitution, there were eight Federal and seven state taxes. Today there are 12 Federal and only two state taxes. The present makeup of tax distribution also confirms the monstrous centralism which makes the entire country the slaves of Brasilia. Of everything that is collected in Brazil, 72.9 percent remains with the Federation, 24.5 percent with the states and a miserable 2.6 percent goes to the 4,000 municipalities, where the 120 million Brazilians dwell, live, work and pay those taxes."

He foresees, if that situation persists, the governors who are elected in 1982 in the various Brazilian states "will be beggars and petitioners before the central power, as is already happening with the prefects." That is why he advocated the granting of a reasonable degree of autonomy "to the states and primarily to the municipalities."

#### Brazilian Power

"An age-old political truth," said Ulysses Guimaraes, "is that only power controls power. An uncontrolled power is an absolute power. And who controls power in Brazil? Better still, who controls Planalto Palace?"

He continued: "We have already seen that it is not the people. They do not control power because of its origins; they did not elect the president of the republic and they do not control its exercise because they are geographically



isolated from the inaccessible ivory tower of Brasilia. It is an imperial government. It is not controlled by the people or by geography. Therefore, it is not controlled by the nation, which is the sum of the territory of its inhabitants."

In the opinion of the president of the PMDB, a government which is not controlled by the nation "has no representativeness. It represents neither the citizen nor geography. Because it has no representativeness, it has no legitimacy; and because it has no legitimacy, it has no credibility. No one believes in it nor does it do anything to acquire credibility.

"However, while the people do not control the power of Planalto," he continued, "neither does the Legislative Branch, although that is one of its institutional functions. The Brazilian Legislative Branch has some influential sectors in it, however, because of the majority in it, the National Congress is a dependency of Planalto Palace. And it is a less than noble dependency because, reserved to the servitors of the regime, they almost as a rule in their legislative activities approve important proposals through the expedient of abstention, flight or the lapse of time."

"That Nuclear Adventure"

"It is extremely grave," said Ulysses Guimaraes, "that such power, uncontrollable by democratic means, becomes controllable by sacrilegious means. It is pressured by economic forces, primarily foreign, by the multinationals and the International Monetary Fund."

He also criticized "the madness of simultaneously burdening the country with no fewer than five projects of the scope of Itaipu, two metros, the construction of the steel railroad and that nuclear adventure."

Each of those projects, in his opinion, would be the work for an entire generation. "Their imposition was responsible for the need to obtain loans abroad, the increase in which poses risks to the international respectability of Brazil in honoring its commitments. Contrary to what the president was told so that he could include it in his yearend speech, foreign indebtedness is out of control, which is shown by the geometric increase in its size, swallowing more than half of our foreign exchange collection capabilities just to pay for servicing the debt."

The president of the PMDB mentioned the "impact projects" for "bolstering the personal prestige of government leaders but which are nothing more than money thrown away," and he cited as examples the Trans-Amazon Highway and the Rio-Niteroi Bridge.

Ulysses Guimaraes acknowledged as "valid" the search for alternatives to petroleum but he criticized the PROALCOOL Program [National Alcohol Program] "in that which means the destruction of coffee and soybean plantations, pastures and plantings of agricultural products for feeding the people, such as beans and rice."

## Punishments

The nation, according to the point of view of the president of the PMDB "Does not understand or approve of the punishments applied to Gens Andrada Serpa and Euler Bentes Monteiro. This is because military men in Brazil--and this is no secret to anyone--are politically active, beginning with the appointment to, and assumption of the Presidency of the Republic. At the same time, public and civilian posts are held by military men, something which also takes place in national and foreign companies."

With respect to the PMDB, he declared: "The party is in better shape than the most encouraging and hopeful expectations because it organized itself in record time to function in a definitive manner." The explanation for that, according to the president "Is that it is not a party of chiefs but of Indians, that is, members. A strong party is one with municipal roots, which organizes in small municipalities. Personal and charismatic leaders do not shape the political makeup of a true party."

8908

CSO: 3001

## INDUSTRIAL PRODUCTION SHOWED INCREASES IN 1980

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Jan 81 p 29

[Text] Brazilian industrial production increased by 7.95 percent from January to November last year, it was reported yesterday by the IBGE [Brazilian Institute of Geography and Statistics]. The increase in the transformation industry was 7.7 percent during the period, while in the mineral extractive industry the increase was 14.3 percent.

Industrial production increased 7.5 percent during the 12 months ending last November, while the extractive mineral industry increased 15.1 percent and the transformation industry 7.26 percent.

In the first 11 months of 1980, only two areas showed a decline in production: petroleum byproducts and tobacco, with declines of 4.4 and 1.1 percent, respectively. The areas which grew the most were: machinery, 16 percent; plastic materials, 13.2 percent; metallurgy, 12.5 percent; pharmaceuticals, 12 percent; basic metallurgy, 11.6 percent; paper and cardboard, 10 percent and rubber, 10.1 percent. Capital goods production increased by 6.9 percent from January to November, while intermediate goods increased 8.6 percent and consumer goods 5.8 percent, with a better showing by durable goods (10.9 percent).

Bicycle production increased the most last year. In the first 6 months of 1980, the increase in production reached 55.5 percent, increasing to 56.5 percent by November. During the year ending in November, bicycle production increased 52 percent.

## Employment

The number of jobs in industry increased 3.71 percent from January to October last year, it was also announced by the IBGE. The number of employees in the mineral extractive industry grew by 6.35 percent during the period, while in the transformation industry it increased by 3.65 percent. Employment declined in three industrial sectors: Pharmaceuticals (down 2.84 percent), beverages (down 2.08 percent) and tobacco (down 5.57 percent).



The machinery industry was the record holder in jobs, with an increase of 12.08 percent in personnel employed, followed by electrical and communications materials with an increase of 5.79 percent and paper and cardboard with an increase of 5.63 percent.

In the year ending in October, employment in industry increased 3.29 percent; with an increase of 6.08 percent in the mineral extractive industry and 3.22 percent in the transformation industry. The number of people working declined in October by comparison with September. It declined from an increase of 4.97 to 3.91 percent.

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## BRAZILIAN-ITALIAN MANUFACTURE OF ATTACK PLANE DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Jan 81 p 5

[Text] Brasilia--Within about 1 month Brazil and Italy will sign a document leading to development and joint manufacture of a new subsonic tactical aircraft of the attack type with a speed of over 1,000 kilometers per hour and advanced technology: the AM-X, whose first prototype should be flying by late 1983 or early 1984.

President Joao Figueiredo has given permission for the Air Ministry, through its General Staff, to expedite preparation of the document. An interministerial mission composed of representatives from the Air, Planning, Foreign Affairs, Finance and Industry and Commerce ministries, created to put together the necessary measures for the Brazilian side that will specify the international program, recently delivered to Air Minister Delio Jardim de Mattos the results of the studies it made showing that the program is feasible from the military as well as the economic and political point of view.

The basic conditions for conducting the joint program are also ready and were discussed and settled with the Italian government. The Brazilian Aeronautics Company (EMBRAER) on the Brazilian side and Aeritalia and Macchi on the Italian side will carry out the industrial program, while the two governments will be the direct administrators.

Brazil and Italy will invest about \$600 million in developing the aircraft, with Brazil providing about 30 percent of the total. This percentage share was decided taking into account the government's financial ability to undertake the program as well as the availability of industrial facilities.

In the opinion of Air Ministry experts appointed to examine the document to be signed between the two countries, the 30 percent Brazilian share to be applied in the project "is in keeping with the nation's economic situation and the Brazilian aeronautics industry's capacity."

On both the Brazilian and Italian sides there is much enthusiasm by companies in their aeronautics sectors about executing the AM-X project. In the opinion of experts, they are ready to begin scheduling the work even before an official communique from the two governments. In an effort to expedite the work, a discussion has been held among the three companies that will participate in the undertaking for them to "map out" the paths they intend to follow within the general principles already established between the government parties, "so as not to lose time while waiting for the document to be signed."

In this way some of the parts of the AM-X that each industry will manufacture have been settled preliminarily. For instance, EMBRAER will work on the airframe; it may produce the wings, which is one of the items it requested and has the capability to handle. But the company also intends to enter an even more complex production field--in addition to airframe work--working on other systems such as the landing gear and electronic components.

#### Division

The idea is to divide all manufacturing work according to the proportion of 30 percent for Brazil and 70 percent for Italy. In this aspect Brazil will be able to make some electronic components, for which purpose it will concentrate on the AM-X program the entire Brazilian aeronautics industry (parts, accessories and components) which will be called upon to participate. An important detail among the principles discussed and accepted by the governments was that of trying to maintain a single source of supply for all aircraft that will be bought by the Brazilian and Italian air forces.

According to estimates, joint production should reach about 300 aircraft to be used by the two manufacturing countries. The production period will last only as long as needed to assemble these 300 aircraft, which is about 5 years. By that time at least six prototype aircraft will have been flight-tested, as the program will require a very large number of tests in both Brazil and Italy.

#### Commercial Success Predicted

Development and production of an aircraft in Brazil (whether military or civilian), besides representing less dependency upon foreign technology, also has an advantage in regard to direct and indirect costs. When they begin production, both Brazil and Italy will pay cost plus a remuneration to the manufacturer for each plane they produce for their own use.

When a finished plane is bought abroad the price includes reimbursement for development costs as well as commissions and other fees. But the money spent on carrying out a domestic project is paid to local industries who thus get work as well as developing competence to fill orders, so that the nation is no longer a mere consumer client of the international market subject to all the conditions imposed. Furthermore, the money invested will be recovered when the product is sold to outsiders.

In the case of the AM-X, technical studies indicate the aircraft has chances of becoming a commercial success. So much so that other countries, in Europe as well as the so-called Third World, have already in the current stage sought to make appointments to discuss possible purchase. This development, however, will not be confirmed until the first prototypes are airborne, which everything indicates will be late in 1982 or early in 1983, the period forecast within the schedule for development arranged with the manufactures.

Within the principle of not undertaking an "adventure" in a field considered interesting but quite dangerous, experts promise that the AM-X will be a tactical military aircraft of the air-to-surface attack type and will be "first class," with advanced but tested technology. Use of equipment already tested and familiar will help keep down the cost of the AM-X.

## Technique

Experts say the model's technological complexity is greater than that of the F-5 Tiger made by Northrup, of the United States. But it is a cheaper aircraft and will thus meet the demand of the world market. One of its great qualities is its range. In the case of Brazil, it can cover great distances by mounting extra tanks.

Another advantage of the AM-X is that it will land on short and unpaved runways. Its weight, including armament, will be about 12 tons and it will be 12.90 meters long and 4.30 meters high, with a wingspan of 8.88 meters. It will have room for one pilot (single-seater) and will, like all fighter planes, be equipped with an ejection seat.

Its principal mission will be that of an air-to-surface attack plane, although it can perform other air-force duties. As armament it will be able to carry air-to-air missiles placed in the wing tips as well as two nose guns.

The turbine engine will be a Rolls-Royce of the "spey" type made under license in Italy and specially designed for this new aircraft. As it is a turbine of known performance, its use in the AM-X project will involve minimal investment and will give the model a speed a little over 1,000 kilometers per hour.

8834

CSO: 3001

## YEAR-END 1980 TREASURY SURPLUS IS 2.13 BILLION CRUZEIROS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Jan 81 p 26

[Text] Brasilia--Account settlements with the Central Bank and the Bank of Brazil reduced the Treasury's cash surplus to only 2.13 billion cruzeiros at the end of 1980, after having been 114.8 billion cruzeiros in September. Although redemptions exceeded placement of federal obligations in the primary market by 149.34 billion cruzeiros, domestic public debt increased from 521.53 billion cruzeiros in December 1979 to 848.38 billion cruzeiros at the end of 1980, with an expansion of 62.7 percent during the period.

In closing the Treasury accounts, revenue effectively received was 1.29 trillion cruzeiros while aggregate expenditures were 1.22 trillion cruzeiros in 1980 after settling with the monetary authorities. Hence, more than the Treasury surplus of only 2.13 billion cruzeiros--less than the 2.3 billion cruzeiros in 1979--Central Bank President Carlos Geraldo Langoni emphasized, in reporting at the Wednesday meeting of the National Monetary Council (CMN), the importance of fiscal policy in controlling the money supply.

According to Langoni, "the most important fact to point out in terms of contribution to monetary policy is undoubtedly use of a substantial amount of funds from the federal budget to support transactions of a fiscal nature by the Bank of Brazil and the Central Bank, previously financed exclusively by primary issue of currency."

The Central Bank president noted that this strict observance of the Treasury's responsibilities to the monetary authorities involved 313 billion cruzeiros, "representing 25 percent of federal revenues, an effort without parallel in the nation's recent history and of undeniable impact on controlling growth of the monetary base." Thus, the funds recycled by the federal treasury to the Central Bank and the Bank of Brazil not only permitted coverage of part of service charges on the public debt but also reduced the inflationary impact of subsidies to agricultural marketing, transactions relating to minimum-price policies and other expenses.

## Public Debt

The 62.7 percent expansion of the public debt was well below the inflation rate of 110.2 percent last year. The policy for administering the debt resulted, furthermore, in extending the average period of its maturities from 13 months and 27 days in December 1979 to 24 months and 21 days at the end of 1980. In this way the Central Bank put into practice the principle that the important thing is the turnover of domestic debt and not the amount of debt to be paid.



This past December obligations with a redemption period of 2 to 5 years--Indexed National Treasury Bonds (ORTN)--came to represent 69.4 percent of total debt, with an amount of 589.24 billion cruzeiros. Short-term paper, less than 360 days--National Treasury Bills (LTN)--represented 30.1 percent of the total, with an aggregate volume of 255.5 billion cruzeiros. The remaining 387.26 million cruzeiros represented unindexed ORTN and special LTN.

To compensate for net redemption of 149.34 billion cruzeiros in the primary market the Central Bank had to intensify its open market transactions to place 155.26 billion cruzeiros. As a result, net placement of federal public debt still produced a 5.92 billion cruzeiro restrictive impact on the monetary base.

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## LARGE SOYBEAN, CORN HARVESTS FORECAST IN RIO GRANDE DO SUL

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Jan 81 p 52

[Text] Rio Grande do Sul will produce six million tons of soybeans and almost four million tons of corn this harvest, it was revealed yesterday by the Enterprise for Technical Assistance and Rural Extension of Rio Grande do Sul, EMATER/RS. Estimates by its technicians and specialists indicate that bean production will also be greater than that of the previous disappointing harvest, although initial expectations have not yet been confirmed. Other crops which will have a better yield this harvest than in the previous one, according to EMATER, are rice and potatoes.

Even though there was a slight reduction in the area planted in soybeans compared to last year, the state expects to harvest six million tons, its optimism justified by the good state of the fields, almost all of them in the vegetative development stage now. The forecast yield is 1,552 kilograms per hectare.

Beans occupy an area of 154,000 hectares in Rio Grande, and according to studies by the Secretariat of Agriculture, they will produce 120,582 tons.

Corn, which occupies 1.9 million hectares, will have a harvest of 3,995,700 tons, with a yield, which exceeds the initially made forecasts, and should reach 2,103 kilograms per hectare. Despite the shortage of rain in some growing regions, the general condition of the fields is good and prices range from 650 to 800 cruzeiros per 60-kilogram sack.

Rice planting, in turn, is completed and covers an area of 570,000 hectares, which should produce 2,216,730 tons, even though in the southern zone--Pelotas and surrounding area--the last rains forced the replanting of significant areas.

Meanwhile, potatoes, whose prices are rising, will produce a larger crop than originally forecast. Onions, on the other hand, show declining prices--4 to 7 cruzeiros lower than those of the last harvest--which causes growers to store the product and wait for better prices.

Rio Grande do Sul will also harvest 2.15 million tons of manioc, according to the most recent state government studies, which indicate there are 200,000 hectares planted in that crop. This, therefore, is a recovery compared to the last harvest, which did not exceed 1.7 million tons as a result of a shortage of seed stock at planting time.

The sheep and hograisers, however, are dissatisfied. They are bothered by the imports of sheep for breeding purposes and because of general difficulties in the raising of hogs. The sale of brood sows declined 90 percent in Greater Santa Rosa, the greatest producing region, while in Porto Alegre and surrounding area, the slaughter of brood sows continues.

B908

CSO: 3001

## BRIEFS

CUBAN REFUGEE ARRIVAL JUSTIFIED--LONDRINA, PR (O GLOBO)--Justifying the entry of 200 Cuban refugees, of whom 34 will go to Parana, Secretary of Industry and Commerce Fernando Fontana said yesterday in Londrina: "Brazil is one of the signers of the UN Charter and because of that has obligations at an international level, one of them being support and asylum for political refugees." The arrival date of the Cubans in Parana has not yet been established but Fernando Fontana said they will not be a burden on the labor market in the state, saying that the Parana Government is "doing an act of charity by receiving a group of persons who do not have the conditions for living in their country." The refugees are in Peru awaiting a final solution for their departure. The director of the State Labor Department (DETEPAR) and coordinator of the National Employment System (SINE), Sergio Pereira Lobo, said in turn that Parana was chosen to receive 34 of the 200 Cubans because it is one of the states with the most industrial development. He accompanied Fernando Fontana on his visit to Londrina and declared that several of them have experience in the metallurgical area and could work at Itaipu where there is difficulty in finding workers skilled in that field. "Of the 25 adults in this group, three are trained in social sciences and it is probable that the rest have some knowledge of the sugar sector, since Cuba is one of the great sugarcane producers," he added. The Cubans should remain in Curitiba 4 months, possibly housed in decommissioned schools. During this adaptation phase, they will live on a 1-million cruzeiro fund provided by the Parana Secretariat of Industry and Commerce. [Text] [Rio de Janeiro O GLOBO in Portuguese 21 Jan 81 p 5] 8908

PANAMANIAN INTEREST IN ARMS--Brasilia (O GLOBO)--A mission of 12 high-ranking Panamanian military men has been in Brazil since yesterday to examine the production of war material by ENGESA [Specialized Engineers, Inc] and the aircraft for military use manufactured by EMBRAER [Brazilian Aeronautics Company]. In Brasilia, the Panamanian officers met with diplomatic and armed forces authorities. The visit by the military is the result of the contacts made by the former president and now chief of the National Guard, Omar Torrijos, who was in Brazil at the end of last year. The Panamanian military mission, in addition to the interest by their country in importing Brazilian weapons, also showed that it would like to obtain more information on civic-social activities accomplished by the Brazilian Army. [Text] [Rio de Janeiro O GLOBO in Portuguese 16 Jan 81 p 17] 8908

NEW LAUNCH SITES--The impossibility of expanding the area of the Barreira do Inferno Rocket Launching Center to attend to the growth of the Brazilian space program will lead the Ministry of Air to install new launching centers in the country, probably beginning with 1983. These new centers should be located in Bahia, Maranhao and Fernando de Noronha. However, Barreira do Inferno will not be deactivated, according to an explanation by Lt Col Carlos Fernando Mota, deputy commander of the center. Inaugurated with the launching of a Nike Apache 15 December 1965, the Barreira do Inferno Base, 20 kilometers from Natal, cannot be enlarged any more. At first it was only six kilometers square but was enlarged to the present 18 square kilometers in 1975. However, since its inauguration, Barreira do Inferno saw the population density and the number of developments around it grow into what made of the surrounding area a section of small farms. Around 1985, Brazil should launch its first satellite and its large transporting rocket will require that its launching center be in an uninhabited region. To overcome this problem, the Ministry of Air will have to build another space base. Barreira do Inferno will continue to be the master base because of the infrastructure it possesses. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Jan 81 p 10] 8908

CSO: 3001



## FUTURE PROSPECTS OF OPPOSITION TO REGIME ANALYZED

Santiago MENSAJE in Spanish Jan-Feb 81 pp 26-31

[Article by Manuel Antonio Garreton M.; passages enclosed in slantlines printed in boldface]

[Text] The issue of opposition to the military regime has been limited in recent times to criticism of the regime or analysis of the opposition's goals. Today, at a time of perplexity, frustration and silence on the part of opponents of the government, especially since the plebiscite of September 1980, we feel it is important to bring up this issue again in view of the urgent need to redefine strategies and goals. In the following pages we will try simply to develop a framework of discussion.

Preliminary Considerations: Opposition and Authoritarian Regimes

Unlike democratic systems, in which the political opposition seeks to replace a government while maintaining the system, in authoritarian or military regimes the opposition's function and principal task is the elimination and replacement of the system itself. However, historical experience has shown that this kind of regime has not always fallen through the action of the opposition; nonetheless, the latter has always played an important role. The reason is that, in addition to the task or central function mentioned earlier, the opposition in an authoritarian regime fulfills a series of other functions. In the particular case of regimes that are trying to negate a national history they characterize as "chaotic and anarchistic;" that are trying to bring about a rapid reorganization of society on the basis of new capitalist theories, eliminating democratizing tendencies; and that see themselves as the only alternative in a new order which excludes social change, the opposition plays a triple role: it acts as society's /memory/, rescuing the values that have enabled the nation to recognize itself as such; it is an /obstacle/ which prevents the implementation of the changes the regime is trying to introduce in various aspects of society; and finally, the opposition plays the role of /active hope/, a permanent, ubiquitous and daily presence that represents one or more possible alternatives for society. The success of a historical opposition is measured, thus, in terms of how well it fulf 11 these functions.

On the other hand, the opposition in these regimes, because of its members' varying origins and motivations, is necessarily heterogeneous. Many different

ideologies are combined, along with differing aspirations and goals that point up the difficulty of maintaining unity in the opposition. Thus, it seems more appropriate to speak of /oppositions/ rather than /the opposition/.

Finally, we must avoid limiting our consideration of the opposition to the exclusively political component. In the various sectors of society different manifestations of social movements tend to emerge (labor, students, etc.) "from below," and there is tension between them and the political structures that seek restoration "from above," with which they have little in common. This is a long and difficult process in which social movements conduct their own apprenticeship; consequently, traditional methods of politics must be redefined.

Thus, ideological diversity and the redefinition of political structures and social movements make the opposition a sort of /field/ or /space/ for a partial community of interests rather than the unity and coherence of a political /participant/. This partly explains the opposition's immobility for long periods.

#### The Opposition in the Chilean Military Regime: The Root Problem

Perhaps the point of departure in the analysis of the Chilean opposition to the military regime is the profound significance of the elimination of the political sphere and arena in a society such as ours. Unlike other Latin American societies, the political party structure and the political system here were the privileged channels for the organization, expression and articulation of the demands of society and of the various social movements. The existence of a relatively strong political party structure and political system contrasted with the relative weakness of the autonomous organizations of society, and a certain dependence on their part. Without going into a historical analysis of this phenomenon, we mention it here to illustrate that in Chile's case, the elimination of the political sphere and the destruction of the ties among parties, the rank and file members, and social movements, was tantamount to breaking society's backbone. This action left the political party structure in suspended animation, frozen, on the one hand, and left social movements without the privileged historical means to form new movements and channel aspirations, on the other hand.

To this we must add the regime's attempt to reorganize society according to new capitalist guidelines, thereby changing the class structure and its relation to the state. It has also changed the system of social stratification, forms of organization, and, necessarily, the values and perceptions of individuals and social groups. Without an open political space, the frozen political party structures can hardly be affected by these changes. The society in which those structures were formed is disappearing, requiring a process of political reestablishment and the reconstitution of the social movement.

Hence the ambivalent position of the parties:<sup>3</sup> because of their historic roots in society and their organizational power, they cannot be eliminated as the regime would like to do. Because of their problems adapting to the new social conditions in a context of political exclusion and repression, they are undergoing a profound crisis. They risk leading a superstructural existence which would render them socially irrelevant.

## Political Participants: Left and Center

It is well known that it was the leftist parties and organizations that formed the first and most radical opposition to the military regime. Consequently, it is they who suffered most from the repression unleashed by the latter (prohibitions, persecutions, arrests, exile, death). The first task, then, was to survive and recuperate organically. This situation necessarily made self-affirmation and continuity the most important elements, despite the adaptation of ideology to the new reality. During this phase there was probably still no awareness of the regime's staying power. With variations from one organization to another, the next stage was one of retrospective self-criticism, although this criticism concentrated mainly on procedural errors and dealt only tangentially with essential characteristics and the formulation of the historical trajectory. For a long time, immediate appeals for the formation of "broad antifascist fronts," for "democratic recuperation" or "resistance," depending on the party involved, remained unchanged and made no specific reference to changes in the political goals. In recent years, until the September 1980 plebiscite, the theme of an alliance with the political center and the reestablishment of ties with the spheres and movements of civilian society--parallel with the regime's process of consolidation--became the principal, overriding points of a new debate among leftists.

Beyond a point by point analysis or an evaluation of the specific trajectory of each of the parties that belong to the left, there seem to be two dimensions of what can be called the "dilemma" of the Chilean left. Both point out the left's ability to become a significant interlocutor and participant, and its capacity to overcome its adaptive dimension and mold new realities. The first dimension has to do with the organic problem, and covers the question of the fragmentation and adaptation of the current organizational spectrum of the left and of its coordination structures, as well as the definition of types of parties that can appeal to the extreme diversity of people they claim to represent. Finally, this dimension includes the redefinition of the left's relations with society, in which a philosophy and plan of action formerly centered almost exclusively on the problem of the power of the state and on the political system itself, now rediscover all the autonomous spheres of civilian society. The second dimension deals with the ideological question, in which the main problems to be overcome have to do with the relative rigidity of the theoretical tradition, a certain schematic vision of society, and a language that contributes to isolation from the social forces not directly involved in the political plan.

The dilemma of the political center, the Christian Democrats, can be formulated in a different way. It should not be forgotten that the official Christian Democratic authorities (and other middle-of-the-roaders) as well as many rank and file Christian Democrats explicitly or tacitly supported the military coup of September 1973. The restrictive measures that were prolonged indefinitely by the Military Government, the effects of the repression on Christian Democratic leaders, members and sympathizers, and the growing perception of the real nature of the regime, gradually moved this political group toward the opposition. In this process, the Christian Democrats have had to come to grips with a problem that has cropped up throughout their history: political isolation and the difficulty of establishing solid alliances. The group's increasingly radical opposition to the military regime, not only in political terms but also in terms of the regime's economic model,

its high degree of ideological and organic structuralization, and its autonomous and innovative political plan, do not make it a natural magnet for the "soft," "liberalizationist" sectors or those that have become disillusioned with the regime. For them it seems to lack a coherent strategy. On the other hand, its long-standing mistrust of the left, especially the Communist Party, and its fear of being overrun by the latter (plus the lack of a consistent policy toward Christian Democracy on the part of the left) have impeded a stable agreement with the left even though the two groups both oppose the regime.

In addition, given the multi-class social composition of Christian Democracy, it has the least structured relationship with the grassroots level of all the opposition groups. It desperately needs an open political system to maintain and reproduce such relationships and to ensure its political viability. However, its demand for a democratic system as an alternative after the authoritarian regime is done away with is not accompanied by any coherent formulas for eliminating the authoritarian regime, or any broader reform program that would provide a solid foundation for political democracy. Despite its greater potential for public action, the problems mentioned here have thus far lent its political actions a basically reactive nature, and have raised doubts about its ability to appeal to the rank and file whom it claims to represent.

#### Surrogates and Development

Thus, despite the existence of a vigorous and growing opposition to the military regime, the disruption of the solid traditional relationship of political parties and social movements, and the changes that society has undergone, as well as the increasingly rigid party spectrum, interfere with the creation and development of a politically unified opposition that is socially capable of giving an overall sense of cohesion to its daily activities, whether by individuals or groups, in opposition to the regime.

Over the years a surrogate for making demands and engaging in social organization has evolved. The Catholic Church has played a predominant and crucial role in this phenomenon. We do not think it appropriate to go into a detailed analysis of the process here; we will simply point out that while the Church has presented a means for the partial reconstitution of the social movement, it also is a protagonist which has its own rationality, different from that of the exclusively political spheres and protagonists. Hence the unsurmountable limits of this surrogate action.

The almost exclusive role of public critic played by the Church coincided with the overwhelming need to put survival first in the activities of the opposition during the most brutal repression. Later, the tasks of reconstructing the social movement moved to the forefront, both through new organizational forms and through old structures that had been revamped and regrouped.<sup>6</sup> The challenge to grassroots organizations has been the achievement of minor demands in the face of repressive persecution and threats. They have had to overcome their isolation and the purely corporative dimension of their demands. The challenge for the higher level organizations has been the rediscovery and incorporation of a previously atomized social constituency through the effective expression of its daily needs. In the various sectors of society, those where the regime's institutionalization process has had some effect as well as those the government is unable to control, new



circuits of organizations, activities and communications (particularly in the cultural sphere) have been formed. The opposition has also engaged in more general undertakings, such as the Group of 24's post-authoritarian institutional alternative. In all these cases the relationship with the political parties is ambivalent, in that the parties are given open support at the same time that there are intimations of possible shifts and regroupings. In any case, the range of this process of social reorganization, with major sectoral mobilizations in recent times, is still very limited; its proposed alternatives to the regime are still incipient, still subject to demands for a return to the pre-1973 situation; and its appeal is still weak.

On the other hand, as we have pointed out, a development has taken place in the political sphere, where the illusion of the immediate or imminent fall of the regime has gradually given way to an acknowledgement of long-term tasks, difficult processes of recomposition and--although no national call to arms has taken place yet--the search for bridges to link the various sectors that are sometimes antagonistic.

To conclude this brief summary of the development of the opposition, we can point out the following:

1. If from the point of view of political organizations there can be no thought of a unified opposition, and if very different political goals are simultaneously pursued in that opposition, the progress made to date can be considered significant. This is particularly true if we realize that the two principal sectors of this opposition until a few years ago were irreconcilable enemies. At the same time, the opposition has a significant presence in society, as illustrated by student and labor elections, and unofficial estimates of the results of the plebiscite, despite the irregularities and the extremely unfavorable conditions of that plebiscite.

2. Although the political organizations have been maintained and have fulfilled their functions in society; that is, despite the fact that they have more or less carried out their function of representing a reminder, an obstacle and a source of hope, the various sectors of the opposition have generally lacked a /strategy/ regarding their function after the regime has been eliminated. We are not speaking here so much of a future post-authoritarian alternative, as of a strategy concerning the very permanence of authoritarianism. This means that the actions, agreements, mobilizations or advances of the opposition are basically reactive or adaptive in nature, responding to the initiative of the regime.

3. The fact that the opposition lacks a national proposal or /program/ that is considered something innovative, not simply a repetition of the past, and the persistence of traditional political concepts, organizational methods and actions, explain its still limited range. A manifestation of this can be seen in the fact that although it has achieved a relative penetration of society, as mentioned above, the opposition has not managed to bring together all the sectors that do not identify with the regime.

#### Opposition's Prospects and Challenges: Strategy and Goals

We believe that the plebiscite of September 1980 crystallized tendencies of the regime that had come to light in recent years. While the political opposition



attained the highest levels of unity and mobilization at that time, a new situation and new questions were opened up for it.

From the standpoint of the groups in power, the plebiscite has a triple significance. On the one hand, it resolves, for the moment, the contradictions among the various sectors in terms of the personalized leadership of Pinochet and demonstrates the limits of these contradictions and differences; these contradictions have no alternative outside the regime, and are presented only as struggles to wield influence inside the regime. On the other hand, for the first time mechanisms and time periods for succession have been established, thereby partially solving the regime's institutionalization problems. Finally, the above leaves as the principal task of the regime the implementation of the reforms that will enable it to realize its goal of an exclusive, authoritarian capitalist society.

The need to disrupt this situation could redefine the problem of unity among the political opposition and shift the axes of the debate. Sectors could emerge from the center seeking to create a political space for themselves that would give them more room to maneuver, with some type of relationship with groups supporting the regime that are trying to reorganize the political right. There could also be a very flexible ideological line that would guarantee and modernize the center's organizational mechanism, preventing sharp public conflicts with the regime. In the left, the debate could focus on various ways to use force to respond to the frustration of the rank and file. It is obvious that all this would redefine not only center-left relations, but also the internal regroupings and unity of each bloc.

But such considerations run the risk of leading to a disruptive debate that would not take into account the most serious problem that confronts the opposition: the reorganization of a society in the process of decomposition and recomposition. We cannot stay at the pure level of political structures, as if decision-making powers could automatically solve the problems of appealing to the diverse spheres of society. We have already stated that the ability of the old political structures to serve as a vehicle for the demands and aspirations of the rank and file is frozen. This brings up the issue of the /program/ of the various sectors of the opposition. In this regard, it is not enough to propose a "democratic" program that would boil down to a demand for a given political order, not because it has no intrinsic value (which it has), but because it is not clear that this program represents an aspiration close to the hearts of vast sectors of the population, and because society cannot be reduced to just the political sphere. We live in an extremely complex and diverse world, where the relative vitality of old ideas and conservative groups in some areas stems from providing ready answers (although they are wrong) to the problems that arise in daily life and in the most vital interests of individuals and groups. If such is not the case in Chile, at least there is the vacuum that has not been filled by the opposition and could be filled by conformism, aspirations for consumption and status, and the most reactionary visions of order, security and tranquility. Thus, such a program would divert attention--without ignoring the political sphere--to the areas of civilian society in which flesh and blood people live. This program would be drawn up by the various social sectors involved and adopted by them through their own mechanisms for mobilization, with an overall outlook that lends coherence to the program.

It is in this context of social reconstitution and of participants and social movements that the problem of the opposition's /strategy/ should be approached. The stage that began after the plebiscite legitimizes a definition of strategy revolving around the change of regime. Whatever response is made to this problem, it can no longer rely on the myths that served as a substitute for strategy: the international isolation of the regime, the internal contradictions and erosions, the external pressures concerning certain principles or situations, the failure of the economic model, the democratic tradition and consciousness of the Chilean people, etc. It is a question of confronting, perhaps for the first time in a direct way, the problem of a lack of strategy; and of formulating a responsible strategy that will restore the idea of unity among the opposition.

Thus, the political opposition must resolve its strategy problems. But this cannot be done without a /program/ that will utilize and generalize the diversity of aspirations and demands, forming a national goal. It must make people participants and subjects, not a mass that can be manipulated. The program must promote vigorous organizations and social movements on the basis of such demands, and must lend an existential meaning to politics to reestablish and reconstitute the political apparatus. Without such a program, the old structures and organizations will be able to survive and maintain the illusion of a world of "agreements," "fronts" and "tactics," but merely as a ghost from the past.

In conclusion: A mediocre program that destroyed our national identity, created by the technocratic military authorities, has undergone profound changes in this country. The only hope for a better society lies in the opposition. But this opposition is still a prisoner of its past. A far-reaching restorative trend seems to be emerging in our society, however. It is time this trend became manifest and flourished, because the nation is waiting.

Santiago, December 1980.

#### FOOTNOTES

1. We are aware of three limitations, at least, to our analysis, because of a lack of space as well as the need to emphasize certain critical aspects: the lack of a description of the regime, which is always necessary for an analysis of the opposition; the lack of detailed consideration of the various groups and instances of the opposition and no insistence on the importance of repression on the problems of this opposition. In general, we have referred to three other works on this subject, from which we have cited some ideas and paragraphs: "En torno a la discusión de los nuevos regimenes autoritarios en America latina" [Concerning the Discussion of the New Authoritarian Regimes in Latin America], "Procesos politicos y regimen autoritario: dinamicas de institucionalizacion y oposicion in Chile (1973-1980)" [Political Processes in an Authoritarian Regime: Dynamics of Institutionalization and Opposition in Chile (1973-1980)] (Documentos de Trabajo, Flacso, 1980) [Working Documents, Latin American School of Social Sciences (FLACSO), 1980], and "Vigencia, crisis y renovacion de los partidos de izquierda" [Viability, Crisis and Renovation of Leftist Parties] (REVISTA ANALISIS, November 1980).

2. To this we must add the partial opposition movements, or semi-opposition, which oppose certain aspects of the regime and have not joined the opposition to the regime as such.
3. We are referring to the center and leftist parties. In the case of the right, we should recall that it renounced its autonomous political organization after the military coup of September 1973 and merged with the regime. Only in the past year has the debate between the various sectors called "hard" and "soft" been such that it could be considered the beginning of a difficult process of reconstituting one or several autonomous political expressions.
4. These points have been developed in more detail in "Vigencia, crisis. . .," Op. Cit.
5. See "Procesos políticos. . .," Op. Cit.
6. This is true of the large union groups. We would have to add other very significant cases such as the new forms of student mobilization, the resurgence of the population movement, the embryonic stage of the feminist movements, groups of intellectuals and artists, etc.

A case that should be considered separately is that of the corporate organizations of the mid-level sectors (professional associations, trade associations, etc.), which in recent years have launched partial opposition movements, but without stable contacts with the political opposition or processes of generalization. It will be recalled that some leaders of such movements did come out against the government during the recent plebiscite.

7. If one examines the responses to government initiatives on constitutional, public assistance, labor and educational issues as well as others, the predominant tendency, with honorable exceptions, is to respond with programs from the past.
8. See "Procesos políticos. . .," Op. Cit.

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## U.S. ACTIVITIES IN CENTRAL AMERICA SEEN AS 'DANGEROUS'

Havana PRISMA LATINOAMERICANO in Spanish Nov 80 pp 34-39

[Article by Jose Gonzalez Tosca: "Dangerous Maneuver"]

[Text] Facing the rise of revolutionary struggle in the Central American countries under military regimes, the United States leans toward intervention, openly or in its more subtle forms, in the desperate search for a favorable solution for its allies and interests in the region.

This behavior is not new. It is no secret that, in U.S. political circles, the Caribbean and Central America are considered enormously important areas for U.S. hegemonic objectives in Latin America due to their economic potential and strategic role.

For this reason alone, from the 19th century until now, there have been 50 U.S. armed interventions on the continent, 43 of them in these regions. Those aggressions permitted Washington to establish a powerful military system in the area with bases in Puerto Rico, Panama, Guatemala and the air-naval base in Guantanamo, Cuba, to cite only a few examples.

The Pentagon has not hidden its objectives and maintains the old desire to convert the Caribbean into a U.S. "lake" with Central America playing a key role.

These ambitions continue; the present U.S. administration is no exception. It is characterized by the vacillations, contradictions and inconsistencies of President Jimmy Carter and the impulses of his national security adviser, Zbigniew Brzezinski, and his "hawks."

Last April William Bowdler, assistant secretary of state for inter-American affairs, said in a speech in New York that Central America is going through a complex and difficult transition. He noted: "The old order is changing...but if the old order is disappearing, a new balance has to assume command."

In pursuit of this "new balance" and because of its interests in the area as well as outside the region, the U.S. Government initiated a new strategy a long time ago to permit it to reassume "command" on the isthmus.

This strategy--with several experiments already put into practice--was explained by Bowdler in the same speech.

"We will not use military force in situations where only domestic groups are fighting. We do not harbor any illusion that we can define the nature of the change or replace Central American leadership with ours but we can support--and we will support--initiatives for local reforms."

Bowdler is one of the main authors of present U.S. interventionist policy in Central America. This phrase contains the essence of the strategy of the U.S. administration to try to break up the revolutionary movement in the region in contrast to its publicized human rights policy.

The plan conceived now for Central America is a disguised centrist option with the approval of "progressive" sectors of the armed forces and some political forces like Christian Democracy with Venezuela as its leader. At the same time, an interventionist military force is being reorganized. Made up by "democratically" elected regimes (a la Honduras), it will guarantee the survival of the monopolies and U.S. economic and military domination in the region.

#### Pentagon's Fears

These objectives of the U.S. Government, repeatedly denounced by the democratic and progressive organizations in the area, are carried out with the approval and even at the request of the governments of El Salvador, Guatemala and Honduras which reached power by the work and grace of the Pentagon and the CIA.

These military regimes have worked hard to project an image of alleged democratic opening and social reorganization while they reinforce repressive machines to eliminate any sign of antioligarchical or anti-imperialist opposition.

The joint U.S.-Central American maneuver began to be structured when the fall of Anastasio Somoza's regime in Nicaragua--for more than four decades, the pillar of the most reactionary policy in that area--and the installation of a popular democratic government headed by the FSLN (Sandinist National Liberation Front) became obvious.

The Pentagon made the decision to form a new strategy for the area in the second half of July 1979 at the DAS meeting in Washington when Brzezinski's proposal for intervention in Nicaragua through a so-called Inter-American Peace Force--the final attempt to shore up the Somozist regime--was defeated.

The Nicaraguan dictator who died in an attack last September boasted many times of being the most faithful representative of anticommunism on the continent, appointed by Washington for these objectives.

To demonstrate this, on more than one occasion Somoza ordered his troops to intervene in any country where there was a revolutionary outbreak. He even allowed Nicaraguan territory to be used as a base of aggression against other nations, as in the case of the 1961 invasion of Cuba.

He was also the main creator of CENDECA (Central American Defense Council) under Pentagon guidelines and the Central American Common Market as well as an active participant in the "Eagle" joint maneuvers with the United States. These were all aimed at consolidating strong regional integration capable of extinguishing popular outbursts.



Somoza was the key man for the United States in the region. His overthrow created a vacuum that is impossible to fill and weakened the neighboring regimes. El Salvador and Guatemala particularly are now intensifying repression while taking ambiguous steps toward "democratization."

In Honduras, the best place for the new U.S. strategy, a clever electoral process was developed but it did not fool the progressive sectors.

Parallel with U.S. interventionist actions during the Somozist crisis, U.S. diplomats met with the dictatorships on the isthmus in search of a future strategy. This was denounced by progressive organizations in the area.

In the weeks before the Sandinist victory, Bowdler--as the one responsible for planning and intelligence at the U.S. State Department--visited El Salvador, Guatemala and Honduras to discuss the existing situation in the region with the leaders of those regimes and with U.S. embassies and advisers in those countries.

Bowdler played one of the most important roles in the efforts of the U.S. administration to prevent the fall of the Somozist dynasty in Nicaragua. He visited El Salvador again in September 1979, according to commentators, to make arrangements with Gen Carlos Humberto Romero, ringleader of the Salvadoran regime and considered the "second strong man" in Central America then.

Frank J. Devine, then U.S. ambassador to El Salvador, met secretly with politicians, businessmen and members of the Catholic hierarchy of that country in an attempt to create what THE NEW YORK TIMES called "a centrist force." He tried to introduce a policy of reforms in which some of the so-called democratic sectors participated in order to neutralize the popular and revolutionary rise.

U.S. newspapers indicated at that time--and they were not mistaken--that even the possibility of advocating coups d'etat as a solution to the existing chaotic situation was included on the diplomat's agenda.

At the same time, spokesmen for the Pentagon and the State Department openly proclaimed: "The United States is not going to let go of even 1 inch of territory in Central America and the Caribbean."

The Mexican newspaper EXCELSIOR charged that only a few days before the triumph of the Sandinist revolution in Nicaragua, General Romero met with Viron Vaky, at that time assistant secretary of state for inter-American affairs. He then announced a "democratic opening" and called for a national dialog that did not receive support from any of the political sectors in the country.

Vaky discussed the urgent need to undertake reforms with Romero. He proposed earlier presidential elections than 1982 and an increase in the supply of arms to fight the insurgent movement while he outlined a diversionary policy in the area.

THE NEW YORK TIMES said that Vaky gave instructions in addition to applying "the use of economic aid as pressure." However, the head of the regime, with the support of the conservative sectors of the country, the Pentagon, the CIA and the enormous paramilitary organization that had been formed, increased repression while it preached a return to legality.

There were many commentaries that these alternatives provoked General Romero's apparent "rejection" of the pressures to introduce reforms. He even "accused" the U.S. Government of being responsible for the problems because of lack of aid, as Somoza had done before.

In his testimony before a congressional subcommittee at the beginning of September, Vaky recognized that "a violent and radical or a peaceful and evolutionary change" would be imposed allegedly to prevent "insurgency and communism."

The situation in Guatemala also caused the U.S. State Department official concern.

He considered it the most important country in the region from the economic point of view and the most likely to handle imperial policy in the area after the defeat suffered in Nicaragua. In his report, he presented the need to undertake "an agrarian reform" there in order to somewhat remedy what he called "poverty and political violence."

However, Vaky did not mention the thousands of dead, wounded, missing or exiled or the shocking living conditions of millions of persons in those countries as a result of the greedy U.S. and oligarchical policy imposed for the defense of "anticommunism."

At the peak of his "human rights" policy, President Carter accused Guatemala and other Central American regimes and suspended military aid to those countries (never effective since arms supplies continued through Israel and some Latin American dictatorships).

After the people's victory in Nicaragua, the Pentagon--with Washington approval--encouraged repression against the opposition, discouraging any hint of progressive solution. At the same time, it accelerated military reinforcement in Honduras, El Salvador and Guatemala.

#### More Advisers Arrive

Since the second half of last year, the United States has expanded the number of U.S. advisers in these three countries to train the police and armies in antiguerrilla tactics. It also supplied them with large quantities of war materiel, including highly sophisticated equipment for repression.

In July 1980, the Mexican newspaper UNO MAS UNO stated that the United States gave Guatemala military aid totaling \$66 million between 1960 and 1981 which did not include additional credit of \$4.5 million to purchase arms in 1979 when Washington announced the suspension of all aid to that country.

On 6 February 1979, President Romeo Lucas Garcia began a 20-day visit to the United States. One of his objectives, according to him, was "to demonstrate to U.S. public and private sectors that Guatemala is not a country in civil war, as the international press states, and that it offers great possibilities to investors."

On this same road of "anticommunism," General Romero told a Venezuelan newspaper a few months later that the events in Nicaragua would not be repeated in El Salvador. He called the experience of Somoza's overthrow in Nicaragua "a real education."

Immediately after the announcement by the head of the Salvadoran regime of an opening, Thomas Reston, a spokesman for the State Department, and Ambassador Devine said that it was a firm and positive step toward democratization in the country and had U.S. endorsement.

At the end of August 1979, the chiefs of state of El Salvador, Honduras and Guatemala met in Guatemala. A Salvadoran spokesman reported that "a more effective way to aid Nicaragua" had been considered at the meeting.

This "aid" did not materialize; it was only conceived for Somoza's Nicaragua. Since then, the Nicaraguan revolution has been harassed from all sides. In neighboring territories, former Somozist guards are trained and plans for intervention are concocted. They even include the prospect of using the armies from those three countries.

The meeting of the generals was held in a military fort near Guatemala City under strictest secrecy and with extreme security measures, according to reports.

A month and a half later, at the beginning of October, then Secretary of State Cyrus Vance met in New York with Salvadoran Foreign Minister Jose A. Rodriguez to analyze the situation in the Central American nation and "subjects related to upcoming elections in that country."

All these actions and pronouncements were followed very closely by political observers of the region. What most concerned them, however, were the meetings between the chiefs of state of El Salvador and Honduras, unfriendly since the so-called "100-hour war" in 1969. They called those contacts unexpected, indicating that only the fear of Sandinist victory--an example which would mean "drastic measures"--and popular agitation in their own countries achieved what years of negotiations had been unable to achieve.

### Despairing Strategists

Unquestionably the victory of the Nicaraguan patriots had the double effect of stimulating the people in neighboring countries and despairing U.S. "strategists."

On 15 October, barely 10 days after the Vance-Rodriguez meeting, General Romero was overthrown by a military coup.

The coup members, responding to instructions from Washington, called themselves representatives of a so-called /democratic military youth/ [in italics] who proposed to put an end to the existing situation. Actually their only objective was to block the imminent triumph of Salvadoran revolutionary forces.

The best evidence of this was that, only a few hours after the military uprising, the U.S. Government recognized the junta installed in power. President Carter as well as Vance made nasty statements in which they cited hopes that El Salvador would become democratic.

The "sacrifice" of Romero was an urgent need to the United States and was one of the first links in the experimental new policy. To give greater credibility to the U.S. formula, civilians were permitted to participate in the Salvadoran junta.

The junta did not resist this test of reality. While it pretended to have a democratic objective, it restructured the entire repressive machine for a new escalation against the masses who rejected any reformist solution and demanded their revolution.

In November 1979, the Salvadoran Armed Forces received advice on "mobile" counter-insurgency, the name for the special equipment made in the United States and shipped to military bases in El Salvador to instruct the local troops.

The promotor of this aid to the Salvadoran regime was Brzezinski. He presented the urgent need to arm and train El Salvador and the rest of the military governments in the region to "slow down the growing communist influence."

It was Brzezinski who added \$7 million for specifically military use to an emergency "economic aid" bill for \$49.8 million in January 1980 to "stabilize the situation" in that country.

Edward M. Coy, interim chief of the AID (Agency for International Development) in the Panama Canal Zone, stated on 12 February 1980 that the additional sum requested from Congress by the State Department was \$303.7 million; 40 percent would be destined for Central American countries that, according to him, showed "a process of rapid political changes."

Bowdler stated that "the Salvadoran Government has formulated a good program of reform, support for human rights and a desire to return to democratic order. This makes it deserving of our support."

At the same time, a top U.S. official who asked not to be identified revealed his skepticism about this. He told THE WASHINGTON POST: "The ultimate objective of the Pentagon is to land Marines" in Salvadoran territory.

#### Strengthen Its Positions

The U.S. Government planned for contingencies with time and "work"; this was its objective as it moved its "dominoes in Central America." It helped find a solution when the first government junta in El Salvador ended in January when all its civilian members and the cabinet resigned. This aborted that ruler in that country.

Spokesmen for the U.S. Government pretended that the events in Nicaragua "forced" Washington to show greater interest in Central American and Caribbean affairs in order to avoid a "Sandinist solution" in the countries in the region.

One of the first measures adopted with this objective was the reinforcement of its team of "strategists." Bowdler, an expert in Central American affairs, unofficial adviser to President Lyndon Johnson on hemispheric policy and former ambassador to El Salvador in 1968 and to Guatemala from 1971 to 1973, replaced Viron Vaky in October 1979.

The team also included James Cheek, adviser for Mexican and Central American affairs, and John Bushnell who took Bowdler's previous job as head of information and intelligence for the State Department.



At the same time, the advice of these officials came from Luigi Einaudi--for affairs directly related to El Salvador--Franklin D. Kramer in the Pentagon and Robert Pastor in the National Security Council.

In January 1980, Frank J. Devine was replaced as ambassador to El Salvador by Robert White, former ambassador to Paraguay. Frank Ortiz, U.S. representative in Guatemala who, according to commentators, resigned because of differences with the State Department on policy in that country, was replaced last July by Walter Landau, representative in Chile after the fascist coup there.

With the changes cited and facing the violent surge of the Salvadoran people, there has been great public activity by agents and advisers in all the countries of the area.

At the beginning of this year, there were barely 20 U.S. advisers in El Salvador; in March there were 36 and by August there were more than 200. According to what has been verified, far from acting as advisers, they participate in units of repression against the popular forces. Until the middle of this month, according to Salvadoran organizations, at least five Marines had died in the fighting.

At the same time, more than 100 Salvadoran police officers received special training at a CIA school--the Border Patrol Officers--located in Fresno, Texas. The police agents, explained the magazine COUNTERSPY which names names in the story, specialize in police intelligence, riot control, insurgency objectives, intelligence, chemical munitions, explosives and demolition.

#### Servility and Intervention

Last 24 March, the Honduran chief of state, Gen Policarpo Paz Garcia, arrived in Washington for an official visit that lasted more than a week. At the end of it, President Carter called the Honduran regime a "good ally of the United States" and promised the visitor military and economic aid.

According to U.S. government spokesmen, Paz Garcia represents a regime of some stability in the region so it decided to expand cooperation in the economic and military sectors, going from \$12 million in direct aid in 1977 and \$28 million in 1979 to \$55 million in 1980 with possibilities of more in fiscal year 1981.

During his visit, Paz Garcia met with officials of the IMF--a financial institution that gave him a loan for some \$180 million--and spoke at the Fifth Annual Central American Conference held in New Orleans and sponsored by businessmen and multinational enterprises.

On that occasion, the head of the military junta in Honduras gave assurances that communism would not be introduced in his country. He also offered himself as policeman for Central America.

This could not be more opportune for both, Carter and Paz. It was good for the former because doors were opened through servility to permit him to put into practice the plan outlined by the Pentagon in order to convert that country into an instrument for the region. It was good for the latter because he was guaranteed a privileged position with respect to Washington and assured continuity in power.

For months it has been stated that the U.S. Government chose Honduras as a "model" for the area, the spearhead for its attempts to undermine the revolutionary movements and base for its aggression against Nicaragua.

Virgilio Carias, secretary general of the Socialist Party of Honduras, charged that the United States wants to make Honduras a political policeman in a democratic uniform since regional and international circumstances are obstacles to classic interventionist actions.

The beginning of the new strategy, with the center still in Honduras, was glimpsed perhaps in Vaky's speech in September 1979 a few days before the revolutionary victory in Nicaragua. According to Vaky, Honduras did not have problems with guerrillas and faced the less serious threat of instability. Obviously, he did not explain at what price such a "miracle" had been achieved.

After this, visits to Honduras by Vaky and other prominent people increased as did secret and public meetings among the leaders of the military regimes of the area. They urged quick action to reestablish peace and Honduran-Salvadoran relations.

The so-called "democratizing process" ended with the "surprising victory" of the Liberal Party in the elections last 20 April.

The possibility of a new coup d'etat is still not discarded today facing growing popular Honduran activity. The campaign was denounced recently by the National Autonomous University of Honduras. It stated that the elections were "a farce mounted and sponsored by the most antidemocratic elements of the traditional parties and the army with the backing of the United States."

Those concerns were soon confirmed when the Constitutional Assembly--with the exception of the three members of the Innovation and Unity Party--"agreed to name" General Paz Garcia provisional president.

When his new cabinet was sworn in, Paz Garcia made a gloomy prediction of "generalized violence" in Central America from which "we are not immune." He said: "The armed forces and the political, economic and social forces of the nation must form a national front." He also confirmed the impossibility of a democratic return in the next 18 months.

In spite of all this work, waste of resources and ample servility, the United States has not been able to neutralize, much less fool the revolutionary movements in Central America. For that reason, military intervention in the region cannot be discarded but reconsidered. With that objective, the Military Command was established recently in Key West and the headquarters of the Rapid Intervention Corps was placed in Tampa, both in the state of Florida.

On 17 August, Col Elden I. Cummings, chief of U.S. advisers in El Salvador, praised the official position of the regime facing the strike that virtually paralyzed the country on 13, 14 and 15 August. More than 60 persons died during that because of repression by government forces.

In Guatemala, there are training bases for U.S. mercenaries, former Socialist guards and Cuban and South Vietnamese elements. They leave there to take part in the repression of the popular revolutionary movement in El Salvador.



That force and the armies of the military regimes in the area are factors the Pentagon considers for the much noted future aggression against Nicaragua.

It has been proven that detachments of these forces leave Honduras to attack Nicaragua and the Honduran Army participated with the Salvadoran Army in a massacre at the common border point of the Sumpul River. At least 600 Salvadorans who fled the repression in their country last March were killed there.

At the same time, the attempted reforms advocated by the United States in El Salvador and Honduras have aroused energetic rejection by the popular masses in those countries and throughout the world.

In addition to the hundreds of Marines and "advisers," a large number of officials of the American Institute of Labor Development--one more CIA front--was installed on two complete floors of the Hotel Sheraton in El Salvador in October 1979. The head of this organization is the notorious Roy Prosterman, head of the "agrarian pacification" program in Vietnam, the "strategic village" man.

It has been indicated that these officials are in charge of planning the "agrarian reform" announced by the Christian Democrat military junta in El Salvador, a type of "Vietnamization of the Salvadoran rural area," according to political analysts of that country.

With respect to Guatemala, THE NEW YORK TIMES indicated at the end of last month that it is too late for Washington to persuade the rightist military and businessmen that it is necessary to adopt reforms to solve the problems in that country. It suggested that "certainly, without intervening militarily, the United States seems incapable of controlling the chaotic forces in that Central American nation."

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## ACCOUNTING PROCEDURES FOR COOPERATIVES EXPLAINED

Havana ANAP in Spanish Dec 80 pp 30-31

[Article by Adelfo Martin and Nestor Marin: "Accounting System for CPA"]

[Text] The existing accounting system for the CPA [Agricultural and Livestock Cooperatives] is an important instrument to guarantee economic efficiency in the new forms of production.

It is important for the cooperative, as a socialist form of production, to achieve substantial increases in production to help meet the growing needs of the people. It is no less important for the production to be profitable since profits are the only guarantee to improve the standard of living of the members of the cooperative and to expand the material and technical base that makes greater productive efficiency possible.

If we do not have efficient economic controls, it is impossible to attain this objective.

The leadership of ANAP [National Association of Small Farmers] has made a great effort to guarantee that each cooperative has the necessary forms to record and provide the basic indispensable information so that the established accounting system can function. Also we are and will continue holding seminars to teach the economic officials of the CPA the basic knowledge to correctly fill out the forms that contain this basic information that no one other than the cooperative itself can supply.

It should be pointed out that, in general, with a few exceptions, the presidents and leaders of the cooperatives in general underestimate the importance of economic controls. They do not give this important aspect the same attention and are not equally demanding about filling out the forms as they are about the fulfillment of production quotas. They forget that both things have to advance together in a cooperative.

/It is important to produce but it is equally important to know at what cost we produce. We cannot know this if we do not have economic controls/ [in boldface].

In a personal economy, especially a small peasant economy which is little more than subsistence in many cases, economic controls are very simple. The peasant is not

required to account for how much of the crop he has left or whether he has any left. The problem is different in a cooperative. Here it involves collective property of a larger family which increases each day. It becomes necessary to account to all the members for how much was left and, if there were no profits, to explain why so that they understand and take measures so that there will be profits.

That is the reason for the importance of economic controls and why it is necessary that each CPA president be interested and demand fulfillment.

He must be concerned that the economic official of the CPA have the minimum education required and acquire the basic knowledge to fill out these controls. It is a constant task that must be supervised with the same strictness with which we supervise production quotas.

Below we give a brief description of the functioning of the accounting system, the forms in it, their frequency and the comrades in charge of filling them out.

#### System and Forms

There are two levels of accounting: one related to the cooperative itself which will issue all the primary information on its activity; and one, the accounting office, which will function at the municipal and provincial level. The latter will take care of the principal economic controls based on that primary information and draw up the financial balances, statistical reports, statements of accounts, etc., for all the cooperatives within its territory.

While the accounting offices for the cooperatives have not been established by the state, accountants are being hired and must be paid based on the situation of each cooperative.

The accounting system includes 45 forms: 11 at the cooperative administration level (economic official), 15 at other levels of the cooperative (brigade officials, etc.) and 19 for the accountant.

The frequency of the 26 forms at the cooperative level is as follows:

Name of Form	Person Responsible
Four daily forms	
Report on individual work done	Production chief
Report on work done in brigades	Brigade chief
Total weight of cane	Brigade official
Summary of work done by brigade	Economic official of cooperative
Two 10-day forms	
Shipment of cane	Accounting office
Report on milk production	Dairy or livestock official
Four semimonthly forms	
Preliminary payroll	Economic official of cooperative
Payroll	Economic official of cooperative
Summary of delivery of consumption	Economic official of cooperative
Delivery of consumption	Delivery official

Name of Form	Person Responsible
Three monthly forms	
Report on fuel consumption	Economic official of cooperative
Report on work done with equipment and/or work animals	Equipment official
Control of movement and supply of livestock	Livestock official
Two quarterly forms	
Report on supply of livestock	Livestock official
Production inventory	Production chief

#### Forms to Be Used for Operations

1. Shipment of agricultural production	Person who delivers products to collection station
2. Total minor payments (petty cash)	Economic official of cooperative
3. Reimbursement for minor payments	Economic official of cooperative
4. Report on receiving	Supply official
5. Total delivery of materials	Production chief
6. Report on production	Production chief
7. Report on crop	Production chief
8. Finished construction	Economic official of cooperative
9. Receipt for revenue	Economic official of cooperative
10. Report on service unit	Unit official
11. Preliminary inventories	Economic official of cooperative

The 10-day, semimonthly and monthly forms require daily information. Of the 26 forms filled out in the cooperative, 16 are done daily.

So that the accounting system can be implemented according to the manual, it is very important that the president, executive members and members of the cooperative know the responsibility of each comrade who fills out a form and demand fulfillment in order to account for the operations of the cooperative. If this objective is not achieved, there will be no accounting and, therefore, the annual balance of the cooperative cannot be done with the minimum quality required.

#### Balance at End of Year

According to the existing accounting system, as repeated in a communique signed by comrade Pepe Ramirez on 24 January 1980, all the CPA must do their economic balance once their basic production is completed.

The economic balance is decisive to the good operation of any cooperative.

If it is not done, it is impossible to learn the economic results of the year, the cost per weight of overall production and the production cost per crop.

The economic balance also makes it possible to learn the amount of profits obtained and to distribute them according to each cooperative's internal regulation based on the regulation in the model statutes.

A correctly done economic balance that expresses the overall production costs and the costs for each productive category permits the executive board and the general assembly of the cooperative to make a real analysis and to make the best decisions on how it should plan and what measures should be taken to reduce high production costs.

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## LOVE, SEX EDUCATION FOR YOUNG PEOPLE DISCUSSED

Havana JUVENTUD UNICA in Spanish Sep 80 pp 26-29

[Article by Department of Health Education: "Sexuality and Youths"]

[Text] Sexual relations are an important aspect of relations between individuals. Like the other ties, they are based on and determined by the concept that the individual has of nature, society and himself.

In other words, man's concepts about the reality around him form his basic concept concerning the problems of sexuality.

The main principle for the study of sexual relations is based on the social nature of man. Sexual relations are a basic part of social relations in any society; these are determined ultimately by the economic relations that the individuals establish in the production process. Education, traditions and customs exercise a great influence on the moral principles and standards which have historically governed sexual relations.

The study of human sexuality requires, first, the establishment of the essential qualities of the individual--that is, what differentiates him from other animals.

Man, as is logical, is part of nature, its most finished product; man is a natural being but a human being. He is endowed with "flesh and bones" like the animals but, different from these, he is a conscious being. He is not only the product of his environment but, at the same time, its transformer. He is a special natural being. The natural part of man becomes something different. In man, the social aspect conditions his natural needs and these become human needs. By his nature, man is a social being.

Independent from the mutual attraction that draws man and woman together on the biological plane, sexual relations between the two will develop, first, based on certain material conditions as well as on principles, standards, traditions and other social aspects. Education, in its broadest sense, has played a dominant role.

As is known, when society was divided into classes, women were put in second place in all types of social relations. They came to be considered the property of man, destined to do housework and serve as the instrument for his sexual satisfaction. Until the past century, in many regions of India women were burned with their

husbands when the latter died. The woman was, as some authors indicate, a "type of domestic animal."

The chains of exploitation were broken as a result of the triumph of the socialist revolution and the establishment of the new social system that it created. A process of double liberation began for women. Her incorporation in work and social life is, objectively, the expression of her economic independence which makes it possible to attain a higher material standard of living for her and her family. It is also a very important subjective factor for the development of her personality. Women are treated like human beings.

The moral standards and principles that govern a certain society affect every type of relation among individuals. Nevertheless, there are ties among human beings where that moral content is directly involved; this is particularly true for sexual relations. In societies in class struggle, sexual relations reveal a double standard.

In class societies, the sexual behavior of the man and woman are viewed differently. For example, virginity before marriage and the prohibition of extramarital relations have been standards only for women. Man, historically, has not had to observe these standards.

This double standard is not only revealed in sexual relations; good and honor have different meanings for the bourgeoisie and the worker. For example, to a capitalist the concept of honor is not related to his exploitation of the workers under him. We might feel that slave labor is immoral but he also feels that paid work is a normal, legal phenomenon that does not hurt the moral standards of society.

In general, this explains one aspect of the double standard of morality we mentioned. Under socialism, the bases to end the double standard have been created; man and woman are placed on an equal plane in all spheres of social life. The explanation of this equality in sexual relations will be covered later.

Youth is an extraordinarily complex period for the individual. It characteristically is a time of great aspirations and profound ethical concerns. His main principles are related to his desire to understand the world and to know himself. During this period of life, political, social and ideological motivations for conduct are intensified. Youths seek answers to many philosophical problems related to the objective of life, the mission of the individual, the feelings of happiness, friendship and love and other ethical aspects of social relations.

At this stage, a new type of human relationship slowly begins: love.

Some psychological characteristics (feelings, character, attitudes, interests) are different in men and women as a result of different treatment and education of boys and girls from birth and anatomical and physiological differences.

Generally girls are more sensitive than boys. At the time of selecting a partner, they are guided more by character than by physical features. Frequently, a girl desires her partner only when she loves him--that is, when he has won her affection and confidence through his behavior.

Boys are first guided by physical aspects when selecting a partner although later they evaluate the moral qualities of the girl.

The differences of each sex mean that men are excited more easily than women and by different stimuli, a fact that especially has to be considered in relations among youths. There are some couples who are only attracted sexually without any deep love. Of course, this occurs only with persons who have deficient ethical and sex education since, in human beings, affection, admiration and love should be essential requirements for sexual relations.

When selecting a partner, it should be someone who deserves our respect and, at the same time, respects us and for whom we feel admiration, consideration and a stable, deep love based on true values, not passing things like beauty, dancing ability or popularity.

This is important since sexual relations between the man and woman are reflections of the existence of man as a social being and, therefore, quite different from the purely instinctive relations of animals.

In the human being, these relations are not only based on sexual desire but on mutual love. They are also the expression of the intellectual and moral relations of two personalities.

In spite of the fact that the beautiful feeling of love is experienced deeply in adolescence, these youths are still not in the position to establish "formal loving relations." It is very true that adolescents are no longer children but it is equally true that they are not yet adults. It is a transition stage when the personality is being "prepared" in many senses. This means that they are still not capable of maintaining stable living ties that can lead to a lasting marriage.

Therefore, it is recommended that boys do agricultural tasks, study, dance and sing in large groups; this will help increase affection and relations that offer greater knowledge to youths of both sexes. As Lenin stated: "Youth particularly need joy and optimism--sports, wholesome gymnastics, swimming, excursions, physical exercise of every type, spiritual diversity, study, analysis, research and all of it, as much as possible, in groups!"

In these joint efforts, enjoying wholesome sports and recreational activities, youths know each other better and, later, the beautiful feeling of love can grow. Our social structure and the educational system greatly favor these conditions through coeducation for youths.

According to the thesis of the First Party Congress "on training children and youth," coeducation "has to advocate complete equality of duties and rights between men and women and establish proletarian courtesy."

A couple is made up of two persons with their own personalities, abilities, points of view and interests which are not the same. Mutual understanding is necessary so that they adapt to each other which contributes to their stability.

When speaking of adapting to each other, we do not mean that one of the two loses individuality; on the contrary, it is enriched by what the partner contributes which makes the life of the couple fuller.

It is logical that, as time passes, this union that might begin by a simple attraction incorporates a mature feeling after learning more within the group and meeting in different activities.

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## GOVERNMENT SHOULD STOP SALVADORAN ARMS SMUGGLERS

PA231432 Tegucigalpa Domestic Service in Spanish 1500 GMT 22 Jan 81

[Unattributed commentary]

[Text] Sometime last week, the Honduran authorities knew all about the smuggling of arms through our territory and particularly in Comayagua. The authorities immediately proceeded to arrest those involved in this illegal operation and seized some vehicles with arms. At first, it was thought that the arms smuggled into the country in large quantities were to be used to start the homicidal fire that some call liberation wars, and to promote the extremist ideology which is trying in every way to erase our democratic way of life from this part of the world.

Some newsmen and news media directors were informed about the arms trafficking and of the arrest of those involved. In order not to interfere with the authorities and to assume a responsible attitude, they decided not to say or report anything until the government issued an official report. Then, all of a sudden, the Salvadoran deputy foreign minister who is visiting our country discloses the situation when he said that the Honduran foreign minister had told him of the arms trafficking and of the arrest of the persons involved. The secret was bound to be known sooner or later.

The fact is that Honduras is being used as a springboard or as an aircraft carrier by the enemies of the Salvadoran regime to supply arms to the rebels, who apparently lost the armed battle of the so-called final offensive. Now we understand the rebels propaganda campaign during the final offensive accusing the Honduran armed forces of intervening in the Salvadoran armed struggle. The purpose was to implement a misinformation campaign at the international level in order to conceal the subversive activities that were being carried out in our country.

The accusations against the Honduran army were false. It was a slander campaign in which Honduras was accused of giving military aid to the civilian-military government junta of El Salvador. The efforts made by our government and army to not be involved in the internal conflicts going on in Central America, as well as our hospitality, have been disregarded and the principle of nonintervention violated. The enemies of the Salvadoran regime have made our territory a free zone of guerrilla activities which can get us involved in the Salvadoran conflict. As a matter of fact, it already has when the Honduran foreign minister admitted that the Honduran territory was being used to smuggle arms to the Salvadoran guerrilla.

If this is the case, the Salvadoran Government has the same right, as the Nicaraguan Government did in the case of the Somozists, to demand that the Honduran Government fully respect the principles of nonintervention and to do something to stop the activities of the Salvadoran rebels in Honduran territory.

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## NEWSPAPER ANSWERS SUIT BY PRESIDENT, MINISTER

PA140437 Panama City LA PRENSA in Spanish 13 Feb 81 p 2A

[Communique issued by LA PRENSA newspaper regarding slander suit filed against it by Panamanian President Aristides Royo and Labor Minister Oyden Ortega]

[Text] Two events occurred yesterday, 11 February, in connection with LA PRENSA on which we wish to report the following:

The first such event occurred in the morning, when Bolivar Ayala, chief of social communications media of the government ministry, summoned LA PRENSA's director to his office and, in his absence, then summoned Assistant Director Alfredo Jimenez Velez instead. Ayala said during the meeting with our assistant director that the government had taken pains to eliminate offenses, insults and slander from Panamanian journalism but that LA PRENSA was indulging in such practices nevertheless. He added that he wanted to convey to LA PRENSA's executives the strong displeasure at the highest government circles over the continuing misinformation on which LA PRENSA was guilty.

Our assistant director asked Ayala to cite examples and Ayala cited only the following ones: a) The reference in the "Hoy Por Hoy" column on 10 February to the participation of General Torrijos in the "mysterious meeting at which he expressed his strong disagreement with Peru's foreign policy. [quotation marks as published] According to Ayala, this reference had created a serious international problem to the country. b) The charge in the "En Pocas Palabras" column on 30 January that traffic policemen had demanded bribes from tourists driving rented automobiles. Ayala said the charge had given rise to a protest from Colonel Arauz [head of Panama's traffic department] at a meeting at which the matter was discussed.

Our assistant director told Ayala the following in connection with the two cases: a) The first report was based on a dispatch from the ANSA news agency that had been previously published by LA ESTRELLA DE PANAMA. b) A reporter from LA PRENSA had met with Colonel Arauz, who admitted that these cases existed and that it was difficult to eradicate them because tourists, because they travel about so, do not file formal complaints, adding that it would be appropriate if LA PRENSA would launch a campaign so that rented automobiles would not carry a special license plate to identify them.

In view of our assistant director's answer, Mr Ayala just said that the government was going to bring the matter to the attention of the ANSA agency and that he had

no knowledge of our reporter's interview with Colonel Arauz. However, without referring to other cases, he restated that LA PRENSA was misinforming the public and that the media doing that had to suffer the consequences. He didn't say what consequences he had in mind.

The second incident that happened concerning LA PRENSA was learned through LA REPUBLICA. According to the paper, citizens Aristides Royo and Oyden Ortega filed a slander and injury suit against LA PRENSA director, Mr Carlos Ernesto de la Lastra, for a comment published in the column "In a Few Words" on 11 February.

Around 1600, people who claimed to come "from the attorney general's office" came to LA PRENSA and asked to see the director to convey a personal message. Since our director was not in, they did not want to deliver the message to our deputy director. In the evening, people who identified themselves as from the National Investigations Department entered our director's residence and showed him the original of a letter by the attorney general to General Torrijos requesting that Mr de la Lastra be summoned to the attorney general's office. Our director asked for a copy of the letter which he did not get and he refused to sign the original of a letter that was not addressed to him. To date, our director has not been served with an official notice to appear at any public office.

In the early morning of 12 February, two armed individuals came to the home of Mrs Carmen de la Lastra de Navarro, accounting director of LA PRENSA, to ask for our director.

The comment appearing in the column "In a Few Words" which promoted the suit filed by Messrs Royo and Ortega is based on the following incidents:

1. It is public knowledge that there are three foundations in the FEC, the Knorad Adenauer, Friederich Ebert and Friederich Neuman Foundations, that finance in other nations sociopolitical projects following their own ideological persuasion, namely, Social Christian, Social Democratic and Liberal. The three foundations are currently financing projects in Central America and the Caribbean.

2. It is public knowledge that the Democratic Revolutionary Party, to whose leadership Messrs Royo and Ortega belong, has for a long time been trying to connect itself with the Socialist International, to which the Friederich Ebert Foundation is linked.

3. A reliable source, belonging to official circles, told LA PRENSA that representatives of the Friederich Ebert Foundation had recently met first with Mr Ortega and the labor minister's office and then with Mr Royo at the office of the president of the republic to discuss the establishment in Panama of a liaison office with the said foundation to finance sociopolitical projects in the area. According to our source, an agreement was reached for the liaison office to begin working soon.

We point to the fact that in their report Messrs Royo and Ortega don't deny the events we have listed. However, they said that the comment in the column "In a Few Words" stated "that they received money from the foundation," according to the report appearing in LA REPUBLICA. In fact what the commentary stated is that the parties reached "a political agreement" and that the agreement was backed with the foundation's funds.

In view of these two things, the directors of LA PRENSA want to note the difference between the kind of journalism of LA PRENSA and the one which the government-controlled media are still practicing. For instance, we point to the column "The Revolution Does Have its Writers" on 10 February in the daily newspaper CRITICA and we bring to mind the fact that one of the people who write for this column is a cabinet minister.

We also want to point out the difference between Mr Royo's action this time and his lack of action when the daily newspaper EL MATUTINO accused then Minister Mock of receiving kickbacks and practicing graft and he in turn accused the director of the said newspaper of being paid by a blackmailer.

Finally, the executive board of LA PRENSA Corporation wants to take this opportunity to reiterate the principle guiding it since it opened: LA PRENSA, a free newspaper of Panama, deems it its duty to always publish the truth without fear of the consequences.

CSO: 3010

## U.S. RECENT HUMAN RIGHTS DOCUMENT REVIEWED

PY121715 Asuncion PATRIA in Spanish 11 Feb 81 p 5

[Editorial: "Carter's Last Report"]

[Text] In a document that is notable for its vagueness--judging by its content--the U.S. State Department has informed the foreign relations committees of Congress (Senate and House of Representatives) about the evolution of the human rights situation during 1980, the last year of former President Jimmy Carter's administration.

As a positive detail--although in a general way which does not clarify particular political and institutional situations, at least in what has been published--the report considers that in the Southern Cone countries, ours being one of them, it has been confirmed that there has been "a continuous reduction of the violations against the integrity of the individual," but in contrast, it indicates that this is not the case in Central America, where "there have been important violations of human rights, especially against people who are mixed up in politics and noncombatants, in nations that are caught up in civil wars and armed conflicts." What remains to be known is how they have interpreted Article 30 of the Universal Declaration on Human Rights and Article 29 of the American Convention in order to establish whether these violations are attributed exclusively to the authorities or whether the violations of the "groups" and "persons" that unleashed and who are the perpetrators of those struggles and conflicts were also taken into account. This is the principal question in order to determine, through the undeniable reason of cause and effect, the origin of the situations of violence that gave stimulus to the violations.

The report, according to the news agencies, views the overall situation throughout the world, which means that in many aspects it will contain vague generalizations, although it will frequently try to refer to specific situations of certain countries--that is, of course, if it is not an exhaustive encyclopedia. In addition, certain critical facets deserve observation. Facets that throw a cloud over the integrity of the report, in other words, regarding its total lack of links to any circumstantial interest of any type. Thus, for example, we have UPI report: "Iran," it states, "was omitted (from the report) due to the negotiations that were being carried out for the release of the U.S. hostages at the time the report was drafted," although it obligenly adds that "the respective report will be submitted very soon."

Although this peculiarity--let us call it that--can be understood even better when the attention is called to the fact that the report that has now been released "was sent to Congress on 16 January, 4 days before Jimmy Carter's government expired...who had proclaimed human rights as one of the principal pillars of the U.S. relations with other nations." But Iran was omitted because the principle of the "pillar" had to give way to the practical conveniences of the "negotiations." We understand this, but the well-known "Carter" orthodoxy does not correspond.

All said and done, we will refer to the positive aspect because it affects us closely: the acknowledgement of that "continuous reduction," that "improvement in the human rights situation" in the Southern Cone, as noted in another paragraph of the document; and this, we once again repeat, in order to separate it from the generalizations when it maintains that "at the level of civilian and political freedom there has been very few overall changes throughout the world, because there are governments that have continued to deny those rights, fully or partially, to the great majority of individuals, whether in communist countries where one party rules, such as Cuba, or in countries where political activities have simply been repressed, or in others in which political opposition has been harassed and persecuted."

This, which is certainly true, where it concerns Paraguay can be summed up in the assertion that "the members of the opposition cannot effectively participate in the political process." The vagueness of the sentence, the evasive construction of what is asserted ("the members"), give it a hue of irresponsible superficiality or of an unacceptable partiality. This generalization that one deduces from the words "the members" (not "some members" or "certain members") leads us to the hypothesis of "only one party" (the government party) or, in the best of cases, that the "opposition is harassed and persecuted," which we flatly reject.

We do not believe that a document that is to be presumed as absolutely serious, and more so as it was written under the aegis of the leading power of the free world, can omit the existence of a constitution and laws that have been legitimately approved by the natural political organizations of a country (constituent assembly and congress) when examining any type of situation with the interested magnifying glass of those who use and abuse such generalizations. If the Colorado party is in power it is because it has an evident majority, which no one can deny by any type of reasoning; but it is not the "only party," because there are the Radical Liberal Party [PLR] and the Liberal Party [PL] which participate in all elective organizations, from the congress through the town council and electoral boards. The dissident factions of the parties are not "the members," but "some members" or "certain members" and their situation must be evaluated in the light of the Paraguayan constitution and laws, because any other view would be arbitrary and an interference.

Regarding the Febrerista Party [PF], its non-participation of today is as voluntary as its participation of yesterday, but its political and campaigning activities, both here and abroad, is public and notorious, including its modest political following which it badly gathers with the support of the "Socialist International" which in turn serves it as a sounding board (a sounding board that it does not have in the country). And the Christian Democratic Party [PDC]: its trouble is with the law, which establishes the prerequisites which in turn grant legal and



political status for the associations created to this end and thus gives them the legal nature of parties. This is what the constitution states, the electoral statute explains it thusly, and it also bans the organization and functioning of totalitarian parties such as the Communist Party.

It is obvious, and there is a lot of background data to confirm it, that the report has accepted the position and the "charge" of the abstentionist PF and the cliques that follow it, something that would be acceptable if the regular opposition was not ignored. This opposition includes the PLR and the PL, also including various other factions of these parties, which do not accept the tutelage of the PF and which do not want to be confused with those that make common cause with it.

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